

Daily Report

East Asia

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East Asia

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AUSTRALASIA

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Five Nations Agree 'To Fish Less' in Okhotsk Sea SK0206052393 Seoul YONHAP in English 0252 GMT 2 Jun 93

[Text] Moscow, June 2 (YONHAP)—South Korea, Russia, Japan, China, Poland agreed Monday [31 May] to fish less in the Sea of Okhotsk out of ecological consideration for the area.

In two days of talks, Korea, China, and Poland agreed to cut their fishing in the area 25 percent by the time of their second meeting in October. Japan stopped fishing there in 1991, and promised not to resume.

Under the agreement, the five countries will separately conduct investigations on the state of pollack and other fish resources in the area and report to a meeting of experts in Vladivostock in September and make appropriate preservatory measures in the second negotiations in Mosow.

The Russian Government retracted its announcement a day earlier of a three-year ban on all fishing in the Sea of Okhotsk in the wake of the multilateral settlement.

Russia declared a unilateral moratorium on fishing in the sea on concluding the area was in an ecological crisis in February, raising opposition from the five fishing countries who claimed the portion of the Pacific Ocean was international waters.

But whether the Russian legislature will approve the government retraction of the ban that was due to take effect on June 15 is unclear in view of the worsening confrontation between the two.

Japan

Banker Urges Action in Foreign Exchange Market

OW0106123293 Tokyo KYODO in English 0937 GMT 1 Jun 93

[Text] Tokyo, June 1 KYODO—The leader of Japanese banks called Tuesday for concerted intervention in the foreign exchange market by the Group of Seven nations, saying recent dollar-yen trading far from reflects the economic fundamentals of Japan and the United States.

Tadashi Okuda, chairman of the Federation of Bankers Associations of Japan, told a regular news conference that the rapid rise of the yen against the dollar will adversely affect Japan's economic recovery, which in turn will lead to a delay in cutting the external trade imbalance.

Okuda cautioned that the recent hike of long-term interest rates is "rather too high pitched." But he doubted the rise will escalate because of the economy's slowness in getting out of the slump. He said the current level of rates should not hurt business conditions.

Okuda also expressed satisfaction at the level of disclosure of nonperforming loans held by Japanese commercial banks. The banks released individual figures last week.

Nonperforming loans, or those extended to bankrupt companies or those lagging behind on interest rate payments for more than six months, topped 12 trillion yen in fiscal 1992, which ended March 31.

Asked if he thinks it is necessary for banks to expose the amount of their "restructured loans," or soft loans given for bailout purposes, he replied that banks focused on "maintenance of the order of credibility."

Okuda said many banks still believe it will be necessary to further liquidate bad assets in the current fiscal year, ending next March 31, and predicted the industry will continue to experience austere financial conditions.

May Foreign Reserves Said Up at \$79.46 Billion OW0106091193 Tokyo KYODO in English 0846 GMT 1 Jun 93

[Text] Tokyo, June 1 KYODO—Japan's foreign reserves at the end of May were up by 2,530 million dollars from the month before to 79,459 million dollars, the Finance Ministry announced Tuesday. The increase appears to have stemmed from the repeated market intervention by the Bank of Japan to purchase dollars for the yen to shore up the U.S. currency.

The reserves of convertible foreign currencies, gold and International Monetary Fund special drawing rights stood at 76,929 million dollars at the end of April, up 6,884 million dollars from March.

At the end of March, Japan ranked fourth in the global reserve rankings with 70 billion dollars, after the front-running Taiwan—with 83.1 billion dollars registered at the end of February—the United States with 76.1 billion dollars and Germany with 74.9 billion dollars (both at the end of March).

During the month of May, the dollar posted its lowest ever exchange rate against the yen on May 28 when it hit 107.10 yen, and its highest of 112.30 yen on the 14th. A ministry official said the government is continuing to take "appropriate action" to dampen currency fluctuations, noting that the increase in the reserves was not as large as in April, when the dollar fell against the yen by a similar 5 yen or so.

Hayashi Rules Out Further Stimulation Measures OW0406040693 Tokyo KYODO in English 0145 GMT 4 Jun 93

[Text] Tokyo, June 4 KYODO—Finance Minister Yoshiro Hayashi Friday denied possibilities that Japan will take additional steps to stimulate its economy despite such calls from its trading partners in light of Japan's mounting trade surplus.

Hayashi also said he does not think the council meeting of the Organization for Economic Cooperation and Development was targeting Japan specifically when it expressed expectations for lower interest rates to spur the global economy in a communique released at the end of a two-day meeting in Paris Thursday.

Hayashi, speaking at a press conference, projected Japan's economy will accomplish its official target of 3.3 percent growth in fiscal 1993 supported by public sector demand, boosted by the 13.2 trillion yen pump-priming package announced in April. But as for tax revenues in the current fiscal year, he said "it would be safer to have severe perspectives," although conditions will depend on upcoming business conditions.

Meanwhile, Hayashi reiterated his stance that trade imbalance is not something that can be modified by Japan's effort alone.

Tokyo To Recycle Funds to Developing Nations OW0406093893 Tokyo KYODO in English 0924 GMT 4 Jun 93

[Text] Tokyo, June 4 KYODO—The government will endorse a five-year program to recycle 120 billion dollars of its trade surplus to developing countries from this year before the July summit of seven economic powers in Tokyo, a government source said Friday. The program, to be approved by the cabinet June 25, will be roughly twice the size of a similar one between 1987 and 1992 worth 65 billion dollars, the source told KYODO News Service.

The size of the latest program reflects Japan's desire to put its snowballing trade surplus to good use and demonstrate a positive attitude toward assisting developing nations as the host of the Group of Seven summit this year, the source said.

The centerpiece of the program will be providing 75 billion dollars in official development assistance between 1993 and 1997, mainly through public funds such as loans by the Export-Import Bank of Japan.

Among categories included in the program will be about 35 billion dollars in loans by the Ex-Im Bank and 10 billion dollars in trade insurance.

Recipients eligible for the program will include East European nations but exclude Russia because of complaints by developing nations in Asia, Latin America and Africa that donor countries favor Russia, the source said.

OECD Communique Not Pressing for Lower Rates

OW0406104793 Tokyo KYODO in English 1007 GMT 4 Jun 93

[Text] Tokyo, June 4 KYODO—Vice Finance Minister Mamoru Ozaki said Friday industrial nations were not pressing Japan to lower its interest rates at a Paris meeting considering those in Japan are already much lower than other Group of Seven (G-7) major economies.

The ministerial meeting of the Organization for Economic Cooperation and Development (OECD) ended its two-day meeting in the French capital Thursday. It called for further reduction of interest rates in the communique to achieve a sustainable growth.

Ozaki also indicated that Japan is not ready for any further fiscal stimulation programs, saying that the communique—which suggested members to conduct possible fiscal stimulation measures—merely reflects what Japan has already been doing through past pump- primingpackages.

Referring to Japan's soaring current account surplus, Ozaki said it is difficult to modify external imbalances by a certain country alone.

But he said the United States also seems to understand that trade imbalances cannot be adjusted by currency exchange rates. The U.S. is now requesting Japan to spur its economy through fiscal operations, he added.

Ozaki said a stronger yen does not reduce the volume of exports as effectively and immediately as what is believed academically.

'Rough Going' Expected at U.S. Trade Talks

OW0406125093 Tokyo KYODO in English 1229 GMT 4 Jun 93

[Text] Tokyo, June 4 KYODO—Japan and the United States will hold the first round of subcabinet-level talks in Washington on June 11 to work out a new framework for bilateral trade, Japanese Government sources said Friday. The session may be extended to June 12 depending on progress in discussions, they said.

The second round is scheduled to be held in Tokyo later this month in order to arrive at a basic accord before the Tokyo summit of seven Western industrial nations in early July, the sources said. Both sides have already agreed to focus discussions on structural problems, individual sectors and bilateral cooperation, they said.

The negotiations are in line with an agreement reached at a meeting between Japanese Prime Minister Kiichi Miyazawa and U.S. President Bill Clinton earlier this year.

The sources predicted a rough going for the negotiations because of U.S. demands for Japan to set quantitative import targets for select sectors to rectify the bilateral trade imbalance.

Tokyo, U.S. Microchip Makers Agree on Programs

OW0406111393 Tokyo KYODO in English 1058 GMT 4 Jun 93

[Text] Tokyo, June 4 KYODO—Japanese and U.S. microchip makers and users on Friday joined hands in a bid to continue widening foreign access to the Japanese chip market.

Representatives from the Electronic Industries Association of Japan (EIAJ) and the U.S. Semiconductor Industry Association (SIA) agreed on a set of programs designed to further expand opptrunities for foreign chip suppliers and deepen the bilateral partnership. The agreement emerged from regular one-day talks on bilateral chip trade, which the participants described as marking a notable shift to cooperation from confrontation between the two industries.

Nobuo Kanoi, EIAJ official who heads the Japanese team and chairs the association's users committee for foreign semiconductors, said after the meeting, "we had a wonderful meeting today. The era has changed."

"We had constructive discussions over how to expand the Japanese chip market pie in the future," said Kanoi, who is also executive deputy president of Sony Corp.

The friendly tone on both sides contrasted sharply with years of acrimonious feuds over what the U.S. claimed was a closed Japanese market for foreign microships. The abrupt shift in the relationship apparently stems from satisfaction with a steep increase in foreign chip sales in this country over recent months.

A report showed foreign products accounted for 20.2 percent of Japan's 20 billion dollar chip market in the final quarter of 1992, up sharply from a 15.9 percent share in the third quarter.

This means Japan fulfilled its commitment to boost the foreign-chip share to 20 percent by the end of last year, as specified by a 1990 Japan-U.S. chip trade pact.

The latest accord calls for further promotion of designins, in which Japanese users and foreign suppliers cooperate from the initial design stage.

The two also agreed to work together to increase chip demand in new areas with high growth potential such as multimedia and telecommunications.

Agreements were also reached on the promotion of seminars, trade missions and dialogues for solving common issues facing the two countries' chip industries, such as environmental concerns, standardization of chip manufacturing equipment and the management of industrial waste.

Minister Tanabu: U.S. Apple Ban Not Political OW0406040893 Tokyo KYODO in English 0334 GMT 4 Jun 93

[Text] Tokyo, June 4 KYODO—Agriculture, Fisheries and Forestry Minister Masami Tanabu said Friday that Japan's ban on apple imports from the United States will remain in place as long as U.S. apples do not meet Japanese disinfection standards.

Tanabu, who hails from Aomori Prefecture, Japan's main apple-growing region, said in a press conference after a regular cabinet meeting that the issue is not political and the U.S. side seems to misunderstand Japan's position.

He was responding to a reported remark by U.S. Sen. Slade Gorton in Tokyo on Thursday that Japan's ban on U.S. apples is "an invalid trade barrier" which possibly violates trade rules set by the General Agreement on Tariffs and Trade.

Gorton, a native of Washington State, which produces 60 percent of U.S. apples and 90 percent of its apple exports, was in Tokyo with U.S. apple growers in an attempt to settle years of bilateral bickering over the import ban.

Tanabu said it is hard to have talks with the U.S. on the apple import issue unless the U.S. discloses data on disinfection procedures.

Hokkaido Governor Leaves for Vladivostok

OW0106085393 Tokyo KYODO in English 0751 GMT 1 Jun 93

[Text] Sapporo, June 1 KYODO—The governor of Hokkaido, Takahiro Yokomichi, left Tuesday for the Russian Far East port city of Vladivostok for talks with provincial leaders.

During his five-day visit, Yokomichi is scheduled to meet Yevgeniy Krasnoyarov, chairman of the executive committee and governor of Sakhalin Province. That meeting, set for Thursday, will focus on bilateral economic and other issues between the two regional provinces.

Also on the agenda is the establishment of regular flights between Hokkaido and Sakhalin, Soviet and Russian dumping of radioactive waste into the Sea of Japan, and visa-free visits by residents of Hokkaido and four Russian-held islands.

The islands, which are claimed by Japan, were seized by Soviet troops at the end of World War II. The decades-long territorial dispute has bedeviled relations between the two countries.

Officials envisage regular air services between Chitose, near Sapporo and Vladivostok.

Russia has issued a report acknowledging that it and the former Soviet Union dumped nuclear waste into the Sea of Japan, the Sea of Okhotsk and an area southeast of Kamchatka from late 1959 to 1992.

Apart from his meeting with Krasnoyarov, Yokomichi will attend the opening ceremony Thursday of the five-day "Hokkaido Fair." It will feature Hokkaido's fishery industry and food, including wine.

Yokomichi will return home on Saturday.

SDF Aircraft Allowed Overseas for Evacuations OW0106211693 Tokyo KYODO in English 1334 GMT 1 Jun 93

[Text] Tokyo, June 1 KYODO—The Security Committee of the House of Representatives on Tuesday approved a revision of the Self-Defense Forces law that would permit the use of SDF aircraft to evacuate Japanese nationals in emergency situations overseas. The ruling Liberal Democratic Party, opposition Komeito and Democratic Social Party agreed to the revision.

The revision is expected to be approved at a plenary session of the lower house on Thursday and be approved by the House of Councillors during the current Diet session, which ends June 20.

The draft of the revision spells out that Japanese nationals in disasters, riots, and other emergency situations overseas can be transported on SDF aircraft when the director general of the Defense Agency receives a request from the foreign minister.

The No. 1 opposition Social Democratic Party and Japanese Communist Party have strongly opposed the revision, charging that it is connected with the dispatch of SDF forces overseas.

Sihanouk's Power-Sharing Announcement Praised OW0306153993 Tokyo KYODO in English 1458 GMT 3 Jun 93

[Text] Tokyo, June 3 KYODO—Japan on Thursday lauded Cambodian head of state Prince Norodom Sihanouk for the establishment of a new interim government headed by Sihanouk as prime minister.

"Japan has all along highly appreciated the leadership of Prince Sihanouk," chief Cabinet Secretary Yohei Kono said in a statement issued a few hours after Sihanouk announced the establishment of the new reconciliation government headed by himself. "Japan believes the latest announcement reflects the prince's leadership," the top government spokesman said.

In the new interim government, Prime Minister Hun Sen of the Phnom Penh Government and Sihanouk's son, Prince Norodom Ranariddh of the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party, will serve as deputy prime ministers. Sihanouk has been serving as head of the Supreme National Council (SNC), a national reconciliation body comprising all of the nation's four rival factions.

Kono said, however, that the Japanese Government is puzzled by "unclear points," such as the background maneuverings that have led to Sihanouk's anouncement as well as its legal status. Such ambiguities "need calm analysis," he said.

Tadashi Ikeda, director general of the Foreign Ministry's Asian Affairs Bureau, said it is desirable that the two major parties, FUNCINPEC and the CPP [Cambodian People's Party], establish a coalition government.

Sihanouk's interim government will help lead to closer cooperative relations between the two parties, Ikeda said.

Tokyo Supports Sihanouk's Leadership 4 Jun OW0406091393 Tokyo KYODO in English 0855 GMT 4 Jun 93

[Text] Tokyo, June 4, KYODO—Perplexed at the turn of events in Cambodia, Japan stood behind Head of State Prince Norodom Sihanouk on Friday in the wake of his canceling formation of an interim government comprising the two leading parties.

"The wish of our government is that there be very serious efforts for national reconciliation with the exercise of leadership under Prince Sihanouk," Foreign Ministry Spokesman Sadaaki Numata told foreign journalists. He said Yukio Imagawa, Japan's ambassador to Cambodia, was to meet with Sihanouk soon to learn of the situation after the prince's statement earlier Friday that "big difficulties" prevented him from carrying out his plan.

Sihanouk announced Thursday the creation of a provisional government comprising the royalist FUNCINPEC party and the ruling Cambodian People's Party (CPP). But he said in a statement Friday that "certain" Cambodians and foreigners, including those of the United Nations, had criticized the coalition plan as a "constitutional coup."

Earlier Friday, Chief Cabinet Secretary Yohei Kono issued a statement welcoming Sihanouk's announcement Thursday and saying Japan believes a government focused on national reconciliation had been formed under his leadership. Numata said the statement still has validity since Kono primarily meant to express that Japan "attaches great importance to Prince Sihanouk's leadership."

"How the situation might develop is still a matter which we are trying to monitor intensely," he said. "We are in the process of collecting information and getting in touch with parties concerned."

Numata said Japan does not accept allegations that Sihanouk's original initiative constituted a "coup" of any sort.

The spokesman noted that the Supreme National Council (SNC), a reconciliation body of the four Cambodian factions and headed by Sihanouk, will continue to remain in force. He said Sihanouk had announced an administrative structure in which the factions evolved into a new entity that still included the SNC and the U.N. Transitional Authority in Cambodia (UNTAC).

Numata said the move was "consistent with the main objectives" of the October 1991 Paris peace accord, under which a government is formed on the basis of a constitution drafted by the elected constituent assembly. He said Japan welcomed Sihanouk's initiative after hearing UNTAC chief Yasushi Akashi on Thursday hailed it as extremely important and expressed belief the prince would continue to cooperate fully with UNTAC within the framework of the Paris accord.

Under the interim government, Sihanouk was to assume all powers as head of state, prime minister and supreme commander of the armed forces, with the heads of the two leading parties as deputy prime ministers.

Sihanouk said Thursday it was designed to avoid a "bloody conflict" which Prime Minister Hun Sen's government had suggested was possible. The CPP had threatened to reject the results of last week's election

organized by UNTAC that FUNCINPEC narrowly won, alleging irregularities in the polling and counting process.

Kono, Nakayama on Return of Election Monitors

OW0406092793 Tokyo NHK General Television Network in Japanese 0305 GMT 4 Jun 93

[From "NHK News" program]

[Text] Forty-one Japanese election monitors returned this morning from Cambodia to Japan. Referring to their return home at a news conference held after a cabinet session, Chief Cabinet Secretary Kono said: We would like to express our heartfelt respect to them for their efforts in Cambodia. The Japanese election monitors returned this morning to Japan after fulfilling their duties of monitoring and guiding the general elections as UN peacekeepers in the southern province of Takeo for two weeks from 17 May.

Commenting on their return to Japan at the news conference, Chief Cabinet Secretary Kono said: We are pleased with the safe return of the 41 Japanese monitors who fulfilled their duties in Cambodia and we would like to express our heartfelt respect to them for their efforts in that country.

Speaking at a news conference held after a cabinet meeting, meanwhile, Defense Agency Director General Nakayama said: Looking back on peacekeeping activities by personnel of the Self-Defense Forces [SDF] in Cambodia, I think that plans for work to be carried out by the SDF members in Cambodia were excessively detailed because of the circumstances involving the deliberation of the UN Peacekeeping Cooperation Law at the Diet and this left little room for the SDF unit commander in Cambodia to make his judgment on what to do in that country. The SDF unit commander should be allowed to flexibly make his judgment on what to do in that country. The commander had to seek permission from the Japanese Government when his unit members intended to supply water and fuel to other nations' peacekeepers. Mindful of this experience, Mr. Nakayama indicated that new implementation plans should be worked out to allow the SDF unit commander to carry out day-to-day work based on his own judgment.

Tokyo Agrees To Help Rebuild Cambodian Bridge OW0406060293 Tokyo KYODO in English 0438 GMT 4 Jun 93

[Text] Tokyo, June 4 KYODO—Japan will provide Cambodia with some 2.4 billion yen in grants for a bridge repair project and energy supply improvement project in Phnom Penh, government officials said Friday.

The new grants are made up of 195 million yen for the repair of a bridge on a road linking the capital and

agrarian areas in northeastern Cambodia and some 2.23 billion for the improvement of Phnom Penh's electric power facilities, they said.

The bridge, which was once called "The Japan Bridge" because Japan provided material to build it, was destroyed during a civil war in 1972. This is Japan's second financial contribution to the project, following about 2.8 billion yen given during the last fiscal year, the officials said.

New Mozambique Dispatch Preparations Ordered OW3105133993 Tokyo KYODO in English 1302 GMT 31 May 93

[Text] Tokyo, May 31 KYODO—Defense Agency Chief Toshio Nakayama ordered his top deputies Monday to start preparations for a new dispatch of Japanese peace-keepers to replace 48 Self-Defense Forces (SDF) personnel already there, agency officials said. They said Nakayama issued the order due to the growing likelihood that general elections in Mozambique, originally scheduled for this autumn, will be postponed until at least June next year.

The 48 SDF troops are currently engaged in transport control operations as part of United Nations-supervised peacekeeping operations in the African country. In addition, five SDF officers are assigned as staff members to the U.N. peacekeeping headquarters in Mozambique.

Under the current plan, SDF personnel already in the country are expected to complete their duties at the end of November. The Japanese Defense Agency, however, notified the officers that their tour of duty may be extended, agency officials said.

NEC Plans To Make DRAM Chips in PRC

OW3105125093 Tokyo KYODO in English 1159 GMT 31 May 93

[Text] Tokyo, May 31 KYODO—NEC Corp. said Monday it will become the first Japanese firm to produce dynamic random access memory (DRAM) chips in China with a joint venture in Beijing. The company said it will begin assembling four-megabit chips in December.

Given brisk demand for DRAM chips, the company will install assembly lines at a joint venture, Shongang [name as received] NEC Electronics Co., which is now being formed with a local steelmaker. The venture was initially aimed only at producing integrated-circuit chips for consumer electronics.

Demand for DRAM chips, mainly for personal computers sold in the United States, is so strong that it cannot be met with existing plants at home and overseas, NEC said.

It said the Chinese plant will assemble parts shipped from either Japan or the U.S., targeting a monthly output of one million chips by as early as late next year. Many other major Japanese electronics makers have also set up plants in China, citing ongoing economic reforms and low cost. The trend is likely to spread to DRAM production to combat increasing price competition and the yen's appreciation, analysts said.

Nissan Step-by-Step Strategy in China Viewed

OW0206125793 Tokyo KYODO in English 1237 GMT

2 Jun 93

[By Geoffrey Murray]

[Text] Beijing, June 2 KYODO—After hesitating initially, Nissan Motor Co. has adopted a step-by-step penetration of the Chinese market, which industry analysts are examining for clues to how Japanese carmakers in general will develop their China strategy in years to come.

With the company slimming down its production operations in Japan—and its manufacturing strategy seemingly fully developed in the United States and western Europe—the question being asked is how can China benefit from this? For a start, it has been suggested that some spare production facilities and professional staff from Japan could be shifted to help develop the fledgling Chinese motor industry.

According to government sources, China, with a population of around 1.2 billion, is the only potentially lucrative market left in the world where automobile production can be enlarged on a large profit-making scale.

According to China National Automotive Industry Corp., the country will be producing three million vehicles a year within about 10 years, with cars making up 65 percent of the total.

Last year, production reached 1.1 million, including 180,000 cars. The country's backwardness in this sector is reflected in the fact that there are estimated to be only seven million vehicles on the roads at present.

Seeking to get in first, Suzuki Motor Corp. last month signed an agreement to invest 170 million dollars to acquire a 35 percent stake in a joint venture with China North Industries Group in Chongqing in southwest China's Sichuan Province.

The Chinese partner will have a 5 percent stake in the new venture and the remaining equity will be held by the Japanese trading company Nissho Iwai Corp.

The venture will start production in spring 1995 with an initial output of 20,000 alto sedans, rising to 50,000 in the following year. But for other Japanese companies the route to car manufacturing seems to involve an oblique approach through vans, trucks and buses.

Toyota Motor Corp. and Isuzu Motors Ltd., for example, are involved in the van and minitruck sector of the market—and this is certainly the approach being adopted by Nissan.

Earlier this year, it set up a joint venture with four other companies from China and Thailand in Zhengzhou, Henan Province, to produce 30,000 one-ton pickup trucks by 1997.

The 44 million dollar venture, in which Nissan has only a 5 percent equity share while providing technical and managerial know-how, will also make 20,000 three-ton trucks annually.

The Zhengzhou plant, Nissan's first direct investment in China, symbolizes the launching of its new strategy to a market where it has previously had a very low profile (it sold only 20,000 vehicles here last year), according to Chinese analysts.

They perceve its strategy as prudent expansion of the Zhengzhou plant, using this to enable some of its top personnel to gain more experience in the Chinese market, while at the same time forming a national auto parts manufacturing network. Only after the latter has been established and begun operating smoothly, will Nissan make its decision on a major car-manufacturing plant.

According to the newspaper BUSINESS WEEKLY, Nissan is already in contact with an unnamed Chinese automobile plant about a joint venture to produce an eight-seater van.

It is also said to be considering establishment of a seat manufacturing plant in China with the technology and equipment to be shipped from Japan. The seats would be designed to fit a variety of vehicles, the weekly reported.

A brake systems manufacturing plant is also being considered.

"Nissan will organize Japanese auto parts companies, including its own subsidiaries, to come to China to explore investment opportunities. (It) expects to form an auto components manufacturing network throughout China to pave the way for larger automaking projects in the country," the newspaper said.

But the first priority is the pickup trucks venture in Zhengzhou, with the aim of localizing production as fast as possible. Although many parts will have to be shipped form Japan, the aim is said to be 60 percent local content by 1997.

This fits in well with current government thinking, which encourages foreign investment but wants it focused more in trucks, buses and auto spare parts, rather than car manufacturing.

Private car ownership is still the exception rather than the rule (about 44,000 vehicles at present) and the country's rulers want to keep it that way for the time being. But car demand is certainly growing and by the late 1990s, the pressures on companies like Nissan and Toyota to move into this sector are expected to be irresistible.

EPA: Private Firms 'Key' To Helping Poland OW3105122093 Tokyo KYODO in English 1115 GMT 31 May 93

[Text] Tokyo, May 31 KYODO—Newly emerging private companies in Poland are a major factor in getting that country's economy back on track and the key to Warsaw's industrial policy to secure growth, Japan's Economic Planning Agency (EPA) reported Monday.

The agency said in a report that economic reforms since 1990 in the former communist nation initially caused consumer prices to skyrocket and industrial production to plummet. But, it said macroeconomic policies, such as tighter credit, are now beginning to tame inflation, and industrial output turned upward in 1992.

The agency cited the birth of private companies as the prime reason behind the recovery.

As for converting the industrial structure, the agency said Poland should focus on nurturing new private companies rather than privatization of state-owned enterprises.

Peru Receives \$50 Million During Fujimori Visit

PA0206014493 Lima Panamericana Television Network in Spanish 1200 GMT 1 Jun 93

[Excerpt] President Alberto Fujimori held a private meeting with Japanese Emperor Akihito to discuss Peru's current situation. The meeting took place at the Imperial Palace, where the Peruvian president took the opportunity to express his gratitude for Japan's decisive and ongoing support for Peru. Japanese Foreign Minister Kabun Muto announced the granting of an additional \$50 million in Japanese economic support to President Alberto Fujimori's government. But these funds must be channeled to specific development programs. Japanese Finance Minister Yoshiro Hayashi has reiterated this condition, as the Japanese Government considers that Peru's emergency phase in nearing its end.

Fujimori's visit, which can be labelled as more political than economic, has the support of the Japanese Government at the highest levels. Former Prime Minister Toshiki Kaifu and former Finance Minister Hashimoto—possible future prime minister—both promoters of Peru's first support group, and others, have offered to make their best efforts on the international level to contribute to Peru's economic stabilization process. [passage omitted]

Forty-Four Illegal Foreign Workers Detained

OW0206125893 Tokyo KYODO in English 1239 GMT 2 Jun 93

[Text] Nagoya, June 2 KYODO—The Nagoya and Osaka Immigration Bureaus Wednesday took into custody 28 Filipinos and 16 Peruvians suspected of working illegally in Suzuka, Mie Prefecture. The 31 men and 13 women will be deported, officials of the bureaus said.

The officials said some have overstayed their visas, while others are suspected of entering Japan using other people's passports or working without proper visas.

Four Peruvians had false stamps in their passports extending the period of their stay in Japan, the officials said.

They said the foreigners worked for nearby employers such as auto parts factories and construction companies, and lived in accommodation rented with the help of a Suzuka employment agency. The Nagoya Immigration Bureau will question agency personnel on whether they helped the foreigners work illegally and try to find out who put the false stamps on the four Peruvians' passports.

104 LDP Dietmen Support Original Reform Plan OW0106065493 Tokyo KYODO in English 0641 GMT 1 Jun 93

[Text] Tokyo, June 1 KYODO—Legislators of the dominant Liberal Democratic Party (LDP) appealed Tuesday for the party not to retreat from implementing an electoral system exclusively comprising single-seat constituencies for the House of Representatives.

Forty-eight LDP lawmakers assembled in Tokyo to form a body to promote "real political reform" and another 56 sent proxies. The move is intended to resist a possible concession to six opposition parties over the course of electoral reform efforts.

The LDP has proposed replacing all multiseat constituencies with single-seat electorates for the lower house, reducing the number of seats from 511 to 500.

The opposition parties agreed Friday to compromise with the LDP with a joint electoral reform scheme based on a proposal unveiled in April by a private panel. The proposal by the Committee for Promotion of Political Reform would combine 300 single-seat constituencies with 200 seats decided by proportional representation.

The opposition unity led some LDP members to voice support for a lower house electoral reform scheme by the government of former Prime Minister Toshiki Kaifu that the Diet rejected in 1991. The Kaifu plan aimed at setting up 300 single-seat constituencies coupled with a system of proportional representation under which 175 seats would be distributed among the parties in proportion to the overall numbers of votes they won across Japan.

Miyazawa Discusses Reform With LDP Leaders

OW0306141393 Tokyo NHK General Television Network in Japanese 1002 GMT 2 Jun 93

[From "NHK News" program]

[Excerpt] The opposition submitted today its unified electoral reform plan to the Diet. In response, Prime Minister Miyazawa met with leaders of the factions of the ruling Liberal Democratic Party [LDP], touching off a full coordination of views within the LDP on reforming the current electoral system for the House of Representatives. Attention is focussed on whether the LDP can decide on adopting the combination system [heiritsusei] of single-seat constituency and proportional representation for the lower house with the emphasis placed on single-seat constituency.

At today's session of the Ad-Hoc Committee of the House of Representatives on Political Reform, three opposition parties—the Social Democratic Party of Japan [SDPJ], the Komeito, and the Democratic Socialist Party [DSP]—presented their unified electoral reform plan based on the mixture system [renyosei] of single-seat constituency and proportional representation for the lower house with emphasis on small parties as proposed by a private panel and requested that the ruling and opposition parties discuss reforming the current electoral system based on the opposition-proposed new electoral system. In response, the LDP said the coordination of views within the party is now under way, and it will respond to the opposition-proposed new electoral system after completing the coordination of intra-party views. The SDPJ, the Komeito, and the DSP take the posture of watching how the LDP will move toward reforming the current electoral system for the lower house.

Meanwhile, Prime Minister Miyazawa embarked on the coordination of views within the LDP today by holding a series of meetings with leaders of the LDP factions. During the series of meetings with leaders of the LDP factions, the prime minister asked for their cooperation in initiating political reform centering on reforming the current electoral system during the current Diet session. In response, LDP Executive Council Chairman Sato expressed his cautiousness, saying it will be very difficult to coordinate views within the party on the combination system of single-seat constituency and proportional representation that is under consideration by the party as a compromise proposal, and it is necessary to carefully watch moves within the party for the time being to judge whether a consensus can be achieved as a result of debates within the party. In response, LDP Policy Affairs Research Council Chairman Mitsuzuka said four LDP executives will make concerted efforts to achieve a consensus, while working to hold the party together to avert any major split in the party. In response, Former Foreign Minister Watanabe said it is good to make efforts to achieve a consensus within the party in a way acceptable to a majority of LDP lawmakers. I cannot say whether I am for or against the combination system of single-seat constituency and proportional representation because the electoral system does not clearly indicate a reasonable criterion for demarcating constituencies. At a meeting with senior LDP lawmakers today, Shiokawa, acting chairman of the LDP Headquarters for the Promotion of Political Reform, made it clear that he intends to set the combination of single-seat constituency and proportional representation as the LDP's compromise proposal and to have the electoral system approved at a session of the LDP Executive Council scheduled for 8 June.

At the series of meetings with leaders of the LDP factions, Prime Minister Miyazawa stressed that he is resolved to push for political reform. Prime Minister Miyazawa, LDP Executive Council Chairman Mitsuzuka, and former Foreign Minister Watanabe made the following remarks:

[Begin Miyazawa recording] My desire is for the Diet to initiate comprehensive political reform during its current session, thereby restoring public trust in politics. Political reform is in a final stage and I think I will have to carry out political reform by all means. [end recording]

[Begin Mitsuzuka recording] Regarding this crucial issue, we should deal with it based on unity and cooperation within the party. Every day, I am working to that end [end recording].

[Begin Watanabe recording] The prime minister asked for my cooperation. In response, I told him that at the present stage, I cannot say the LDP should do this and that. [end recording]

Meanwhile, SDPJ Secretary General Akamatsu, in his speech today, said: Whether the current Diet session initiates political reform hinges on the LDP's decision. The opposition has presented the mixture system of single-seat constituency and proportional representation as its unified proposal for reforming the current electoral system. If the LDP makes concessions to the combination system of single-seat constituency and proportional representation, it would make it possible for the ruling and opposition parties to narrow their differences. Our party intends to reach a compromise with the LDP when circumstances are created to do so. In this way, he indicated that the opposition would explore a compromise with the LDP if the LDP makes concessions [passage omitted].

Radicals Claim Responsibility for Firebombing

OW0106082293 Tokyo KYODO in English 0800 GMT I Jun 93

[Text] Tokyo, June 1 KYODO—A militant leftist group on Tuesday claimed responsibility for a firebomb attack on the home of a senior Imperial Household Agency official, saying it was part of a campaign to scuttle the June 9 royal wedding. The Revolutionary Workers Party (Kakurokyo) put up posters at a university campus in Tokyo, saying the group "blasted the residence of a senior Imperial Household Agency official."

Fire damaged a window early Monday at the home of Hideo Izeki, head of the Imperial Household Agency's maintenance and works department, and scorched a concrete wall outside his house. Investigators discovered a wire and batteries at the scene in Kiyose, northern Tokyo.

The radicals reaffirmed their resolve to wage an armed attack on the motorcade of Crown Prince Naruhito after his wedding to former diplomat Masako Owada on June 9. The crown prince and his fiancee will drive several kilometers to their new home in the crown prince's palace in the Akasaka District from the Imperial Palace in central Tokyo.

Miyazawa Contemplates 'Private' Visit to Shrine OW0106085293 Tokyo KYODO in English 0711 GMT 1 Jun 93

[Text] Tokyo, June 1 KYODO—Prime Minister Kiichi Miyazawa said Tuesday he is contemplating a private visit to Yasukuni Shrine. But he declined to say if he would go there on August 15, the date of Japan's 1945 defeat in World War II.

Miyazawa made the remark to reporters after a meeting with former Finance Minister Ryutaro Hashimoto, who urged him to pay his respects at the shrine. Yasukuni is the nation's main repository of the souls of the war dead, including executed war criminals like wartime Prime Minister Hideki Tojo.

In August last year, Miyazawa said he wants to make a private visit to the shrine "at an appropriate time to show my feelings of respect for the souls of the dead."

No serving prime minister has visited the shrine since 1985 when then Prime Minister Yasuhiro Nakasone made an official visit, the first by a prime minister since the war, attracting criticism at home and abroad.

In addition to the war criminals, postwar visits to the Shinto shrine by serving politicians are controversial because of the postwar Constitution's separation of state and religion. Shinto was the official state religion during the war.

Hashimoto was visiting Miyazawa at the prime minister's official residence to report his assuming the post of chairman of the Japan War-Bereaved Association.

The association, which represents the families and relatives of those who died in World War II, has a membership of some 11 million households. It is one of the nation's most powerful lobbies in favor of politicians visiting the shrine in their official capacity.

Posts Ministry on Work Force Restructuring OW3105122193 Tokyo KYODO in English 1016 GMT 31 May 93

[Text] Tokyo, May 31 KYODO—The Posts and Tele-communications Ministry on Monday announced a work force restructuring program for fiscal 1994 for its loss-ridden postal operations, reducing new hirings by 3,000, or about 30 percent. Under the program, 1,600 administrative employees at the head office of the ministry and regional postal bureaus will be relocated to sales offices for about a month each during the June to December period.

About 40 percent of the administrative work force will be affected by the move, the first streamlining measure taken by the ministry.

Its postal operations are expected to register a wider loss than an initially estimated 43 billion yen for fisal 1992, that ended March 31, with postal handlings rising only 1.9 percent from the preceding year, the lowest growth in 11 years.

Officials blamed the prolonged economic slump. The sluggish handling, steeply below an initially expected 5.4 percent gain, is projected to lead to a decrease of 65.1 billion yen in revenues.

The ministry said the streamlining program is not enough to put it back in the black, and it plans to decide on raising postal rates at the end of July when it completes its earnings reports for fiscal 1992, ministry sources said. They said the increase, if decided, will be implemented toward the end of the year or early next year.

The ministry is legally allowed to raise postal fees when the accumulated red mark exceeds 5 percent of revenue.

The postal business account posted 51.1 billion yen in accumulated surplus at the end of fiscal 1991. The account is projected to show a single year deficit of 102 billion yen in fiscal 1993 following a deficit in fiscal 1992.

Cumulative losses at the end of fiscal 1993 are most likely to exceed 2 trillion yen, or 5 percent of revenue—criteria for a postal fee hike.

Ministry Reportedly Asks Toyota To Aid JAS OW0106001693 Tokyo KYODO in English 2330 GMT 31 May 93

[Text] Tokyo, June 1 KYODO—The Transport Ministry has asked Toyota Motor Corp. to aid Japan Air System (JAS) by purchasing shares in the troubled airline, the NIHON KOGYO SHIMBUN said Tuesday. The major industrial daily said the ministry wants the auto giant to acquire a 26.1 percent stake currently held by the top shareholder, the Tokyu business group centering around railway firm Tokyu Corp.

According to the newspaper, the Tokyu group wants to disengage from Japan Air System, which posted a 5 billion yen pretax loss in the year ended March 31, skipping dividend payments for the first time in six years.

Toyota, meanwhile, has shown interest in diversifying into the aviation business, which prompted the ministry to make the offer, the daily said. The automaker has refrained from making its stance clear on the issue, the newspaper said, but quoted industry sources as saying that the protracted slump in auto sales and the resulting financial squeeze should make the road for a deal bumpy.

Controls To Ease on Communication Satellite Use OW0106114393 Tokyo KYODO in English 1012 GMT 1 Jun 93

[Text] Tokyo, June 1 KYODO—Japan plans to relax regulations on communications satellite-based businesses to allow domestic telecommunications service firms to use foreign commercial satellites, government sources said Tuesday.

The plan, being pushed by the Ministry of Posts and Telecommunications, would also enable Japanese communication satellite operators to expand their business into the international sphere, they said. Japanese satellite operators are currently limited to servicing only the domestic market.

If the decontrol is materialized, Japan's international telecommunications firms like KDD and domestic telecommunications firms such as Nippon Telegraph and Telephone Corp. could use foreign commercial satellites for their business.

Japanese commercial satellites which are operated by Space Communications Corp. and Japan Communications Satellite Inc. could also be used for international communication purposes.

The changes will be introduced first for leased circuits contracted for by corporations, and gradually extended to include services for general users, the sources said.

They said the decontrol is expected to stimulate competition in the Japanese telecommunications industry and thus to eventually lower charges for telecommunications services. The plan is in line with recent liberalization moves in the international telecommunications market, they said.

International telecommunications services have been largely monopolized by the International Telecommunications Satellite (Intelsat) organization which has 125 countries as members. But recently, as more private sector firms launched commercial satellites, world telecommunications firms have begun to use those private satellites in addition to Intelsat to provide their services, the sources said.

Support Urged for Visual Software Industry

OW0106005393 Tokyo KYODO in English 0024 GMT 1 Jun 93

[Text] Tokyo, June 1 KYODO—The fledgling visual software industry in Japan is hampered by tight copyright controls and a shortage of people with the right training, and needs government support, the Posts and Telecommunications Ministry said Tuesday. Television program makers and other visual media in Japan lack high-quality visual software, despite the rapid technological progress in hardware, it said in its annual White Paper on telecommunications.

The infant industry is congested with tiny companies, those capitalized at 10 million yen or less accounting for 56 percent and those with 50 employees or less 81 percent.

Legal restrictions also limit secondary use of their products, contributing to the poor quality of media software in Japan, it said.

The visual media market, which covers movies, broadcasting, and video software, swelled about 50 percent to 4,269.2 billion yen in the four years to 1991. Visual media will play an even bigger role in society in the coming multimedia era, in which various media items such as televisions, telephones and personal computers will be combined.

More sophisticated visual technologies such as highdefinition television also will require accordingly refined software, it said.

Increased Wheat Production Costs, Income Noted OW0106052093 Tokyo KYODO in English 0440 GMT 1 Jun 93

[Text] Tokyo, June 1 KYODO—The overall average production cost for the 1992 wheat crop rose 5.2 percent from the previous year to 63,413 yen per 1,000 square meters, the farm ministry said Tuesday. The overall production cost, including interest payments and land rental, edged up 0.4 percent from the previous year to 9,910 yen for every 60 kilograms of wheat, the Ministry of Agriculture, Forestry and Fisheries said.

Ministry officials attributed the rise to higher costs for subcontracting of farming work, increased charges at wheat drying facilities and other factors. The cost was calculated on the basis of a survey taken in seven wheat-producing prefectures from Hokkaido to Kyushu.

The ministry will use production costs for the past three years in the prefectures as a base for computing prices for 1993 government purchases of wheat, barley and rye from growers, the officials said. The ministry is expected to ask the Rice Price Council, a government advisory body, on Wednesday for recommendations on producers' prices for the grains.

The rise in the 1992 production cost appeared to cast doubts over government plans to cut wheat, barley and rye prices in 1993.

Gross profits per 1,000 square meters averaged 59,654 yen, up 15.4 percent from the previous year, the officials said. Wheat farmers' income per 1,000 square meters averaged 18,773 yen, up 38.9 percent.

Farm Minister Proposes Freeze on Grain Prices

OW0206035493 Tokyo KYODO in English 0211 GMT 2 Jun 93

[Text] Tokyo, June 2 KYODO—Farm Minister Masami Tanabu on Wednesday sought opinions and recommendations of his advisory panel on a plan that this year's producer prices of wheat, barley, and rye be frozen at last year's levels. Tanabu, minister of agriculture, forestry and fisheries, made the request to the Rice Price Council, which is expected to reply to his plan within the day.

Under the plan, the government's purchase price for benchmark wheat would remain at 9,110 yen per 60 kilograms, with that for barley staying at 6,540 yen per 50 kilograms, and the price for rye at 9,421 yen per 60 kilograms.

After cutting grain prices steadily for six years since 1986, the government decided to keep last year's prices unchanged from the previous year's levels, bowing to opposition from farmers.

The government originally considered reducing grain prices this year, in order to bring them down in line with foreign products. Japanese grains are about five times more costly than foreign ones, ministry sources said.

But resistance from farmers, who argued further cuts will discourage them from growing wheat, and the ruling Liberal Democratic Party (LDP), which feared losing farm votes in likely general elections this year, forced the government to keep prices intact for another year, sources said.

North Korea

'Sources': Foreigners Ordered To Leave

OW0306162993 Tokyo KYODO in English 1618 GMT 3 Jun 93

[Text] Tokyo, June 3 KYODO—North Korea has ordered all foreigners, including Koreans visiting from Japan, to leave the country by June 15, reliable sources said Thursday [3 June]. Diplomats posted in the country are excluded from the order, said the sources who are well versed in North Korea-Japan relations. North Korea also has decided to suspend the issuance until the end of July of visas to all those who wish to enter the country, the sources said.

But North Korean authorities apparently have not asked a group of former Red Army members living in Pyongyang and suspected of having hijacked a Japan Airlines (JAL) jetliner in 1970 to leave the nation, sources said Friday. Seven former Red Army members and five Japanese women who married them as well as an unidentified number of their children are currently living in Pyongyang.

The Metropolitan Police Department last month obtained arrest warrants for the five Japanese women for allegedly violating the passport law by neglecting a 1988 Foreign Ministry order to return their passports to the ministry.

A private group in Toyama Prefecture said it is canceling a five-day friendship visit to Pyongyang beginning next wednesday.

On Monday, the local chapter of Chongnyon called on the group's parent organization in the prefecture to call off the visit until August for various reasons, group members said.

The mission, comprising 13 members from the Social Democratic Party in the prefectural assembly and a labor union, were to meet with representatives of the North Korea-Japan Friendship Association and labor officials during the visit, they said.

Premier Proposes 8 Jun Panmunjom Meeting

SK0406084193 Pyongyang Korean Central Broadcasting Network in Korean 0706 GMT 4 Jun 93

[Text] DPRK Administration Council Premier Kang Songsan sent a telephone message to South Korean Prime Minister Hwang In-song today, urging the South side to respond sincerely to our proposal for a working-level contact without attaching other conditions. The telephone message reads:

To: ROK Prime Minister Hwang In-song

It is fortunate that you have responded, though belatedly, in your telephone message to our proposal for a working-level contact on exchanging highest-level special envoys.

As we have already made clear, the best way to resolve all pending issues at the earliest possible date, including the meeting between the highest leaders [chongsang] of the North and the South and the implementation of the joint declaration on denuclearization, is to exchange visits of special envoys appointed by the two sides' highest-level persons [choegowigup].

However, we cannot help but note that your side has failed to assume the same position as we have in the selection of a quick road for resolving problems.

While insisting on holding a working-level discussion on exchanging special envoys at a working-level contact, your side is persisting in wanting a discussion on making a breakthrough in the nuclear issue at that same working-level contact. However, it is feared that this may raise unnecessary obstacles in the working-level discussion on the exchange of special envoys.

While insisting on a quick solution to the nuclear issue, your side is attempting to include the nuclear issue in the discussion on working-level procedures for the exchange of special envoys. This too will only result in spending

time on the roads to and from Panmunjom, delaying the exchange of special envoys and delaying the realization of the denuclearization of the country.

As you know, the issues that the North and the South want to resolve are not only pressing and urgent, but are also important because they are related to the vital interest of the whole nation.

There is no doubt that if the two sides exchange special envoys' visits to Pyongyang and Seoul, a wide road for resolving all problems arising between the North and the South in conformity with the desire of the whole nation can be opened rapidly, smoothly, and at one time, and thus a substantial [silchiljokin] breakthrough can be provided in achieving the country's peace and peaceful reunification, including resolving the issue of realizing denuclearization of the Korean peninsula.

It is not necessary for us to choose a distant road on which foreign forces may profit, while ignoring the road on which our fellow countrymen can easily embark in conformity with the nation's interests. We should choose the best way to resolve problems based on a position of national independence.

If the North and South had chosen such a road, had held a working-level contact, and had exchanged special envoys, a new vista would have opened in North-South relations, and joy and hope would have been given to their fellow countrymen.

We again urge your side to respond sincerely to our proposal for a working-level contact without attaching any other conditions, so that the highest-level North-South special envoys can visit Pyongyang and Seoul at the earliest possible date to perform their important missions.

We do not think there are any complicated issues [pokchaphage nonhal munje] in the discussion on working-level procedures for exchanging special envoys. Moreover, we do not have any issues that require a long time for discussion.

When the two sides' working-level officials sit face to face, they can discuss only a few working-level procedural problems, such as setting the date for the exchange of special envoys, providing conveniences for them, and guaranteeing their safety.

Proceeding from this position, I hope that a contact between the two sides' working-level officials will be held at Tongilgak in our area of Panmunjom at 1000 [0100 GMT] on 8 June.

On 7 June our side will give you the list of our side's working-level officials who will be sent to the contact. I hope your side responds affirmatively.

Delegation Head Discusses Talks With U.S.

SK0406034893 Pyongyang Korean Central Broadcasting Network in Korean 0314 GMT 4 Jun 93

[Text] The DPRK delegation head to DPRK-U.S. talks answered correspondents' questions on the talks.

Talks between the DPRK and the United States of America [mihapchungguk] were held in New York on 2 June.

After the talks, First Vice Foreign Minister Kang Sokchu, head of our country's delegation, answered reporters' questions on the talks.

The delegation head said that the nuclear issue of the Korean peninsula and other issues of common interest had been discussed at the talks, which were held advantageously [yuikhage] in an open-minded and sincere [soljikhago chinjihan] atmosphere. He then said that the two sides had agreed to continue talks on 4 June.

Lisbon Conference Supports Korean Reunification

SK0406104893 Pyongyang KCNA in English 1010 GMT 4 Jun 93

[Text] Pyongyang, June 4 (KCNA)—The world conference for supporting the Korean people's cause of peace, security, sovereignty and reunification was held in Portugal over May 30-31.

Present at the conference were ex-president of Portugal Francisco da Costa Gomes, former Maltese Prime Minister Dominic Mintoff and chairman of Greece committee of struggle against foreign military bases George Pattas, who are honorary chairmen of the International Liaison Committee for Reunification and Peace in Korea (Cilreco) and vice-chairmen and the secretary general, delegates of governments, political parties and organizations of different countries, of international organizations, figures of political and public circles and the press, and diplomatic envoys of various countries in Portugal.

A delegation of the Korean Committee for Solidarity With the World People led by its Chairman Choe Tae-pok, alternate Politburo member and secretary of the C.C. [Central Committee], the Workers' Party of Korea, was present.

Francisco da Costa Gomes, in his opening address, said that the International Atomic Energy Agency was wrong in taking the withdrawal of the DPRK from the Nuclear Non-proliferation Treaty (NPT) to the U.N. Security Council.

"The agency must not allow itself to be used for the political purpose of a third party, directly or indirectly," he said.

"The countries responsible for the Korean question should pay attention to the solution of the problem of the Korean peninsula and the United States in particular must finally stop the 'Team Spirit' joint military exercises and take out of South Korea the nuclear weapons, a factor obstructive to the denuclearization of the Korean peninsula and reconciliation between the North and the South of Korea," he stressed. He said if Korea was to be reunified at an early date, DPRK-U.S. negotiation and inter-Korean high-level talks must be held.

Secretary General of Cilreco Guy Dupre made a report at the conference, which was followed by speeches of 30 personages including chairman of the U.S. lawyers committee on Korea Stanley Faulkner, secretary general of the Asian regional committee for support to Korea's reunification Om Prakash Mantri, secretary general of the international committee of jurists for democracy and human rights in South Korea Robert Charvin and Labour member of the Parliament of Malta Joe Debono Grech, who are vice-chairmen of Cilreco. Letters to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il were adopted at the conference.

It also adopted an appeal to the world people and letters to media men of the world, the president of the UN Security Council, the U.S. President and the South Korean authorities.

George Pattas made a closing speech at the conference.

He noted in his speech that the conference was an international assembly which declared firm solidarity with the Korean people in their just struggle for checking and frustrating the ever-more unscrupulous anti-DPRK campaign of the United States and other international reactionaries and achieving peace, security, sovereignty and reunification under the banner of the "10-point programme of the great unity of the whole nation for the reunification of the country" published by His Excellency President Kim II-song on April 6.

"The significane of the conference," he said, "lies in that it clarified that DPRK-U.S. negotiation is the way of finally solving the nuclear problem and resolutely rejected the base attempts of the U.S. and its followers to use this problem for an insidious political purpose."

Delegations to National Alliance Meetings Return

SK0406043893 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 1 Jun 93

[Text] The North side headquarters of the National Alliance of the Country's Reunification [Pomminnyon] delegation led by Chairman Paek In-chun returned home by plane on 1 June after participating in the meeting of the presidium of Pomminnyon held in Beijing, China.

Yo Yon-ku, vice chairman of the North side headquarters of Pomminnyon, received the delegation at the airport.

Meanwhile, the North side headquarters of the National Alliance of Youth and Students for the Country's Reunification [Pomchonghangnyon] delegation, which participated in the first meeting of the Presidium of Pomchonghangnyon, also returned home at that time.

Group Head to UN Commission on 'Comfort Women'

SK0306132293 Pyongyang KCNA in English 1045 GMT 3 Jun 93

[Text] Pyongyang, June 3 (KCNA)—The head of the delegation of the measure committee on compensation to the "comfort women for the army" and victims of the Pacific war of the Democratic People's Republic of Korea made a speech on May 24 at a working group meeting of the U.N. Commission on Human Rights on modern-type slaves which was held in Geneva.

He said among the 131 "comfort women for the army" reported to the measure committee by May 10 in the northern half of Korea, 26 made public their past life voluntarily and three died recently.

The Korean women who were drafted as "comfort women" numbered more than 200,000, but the victims confirmed in the North and South of Korea are no more than 400 all told, he noted.

Asking where are the other women, he quoted in this regards the words of Arafune who was a member of the House of Representatives and a doyen of the Liberal Democratic Party of Japan: "143,000 Korean comfort women died. Japanese soldiers killed them after satisfying their sexual apetite."

Recalling that Japan took away more than six million Koreans under various names such as "labor drafting" and "conscription" and forced them to back-breaking slave labor during its occupation of Korea, he said:

We hold that the drafting of "comfort women for the army" and workforce was grave crimes in the violation of human rights clearly contravening the international law and so the Japanese Government must thoroughly probe into the truth and make public the results and make an apology in explicit terms.

The compensation must not be mere money but be a material expression of atonement and it must be applied to those who died and their families, not to speak of survivals, we demand.

We consider that this important problem related to the violation of human rights must be discussed and properly solved at the U.N. human rights organization so that the U.N. may contribute to the restoration of the now destroyed international morality and the prevention of the repetition of such criminal violation of human rights in the international community.

Paper Refutes Japan's 'Gloss Over' Comfort Women

SK0306114993 Pyongyang KCNA in English 1008 GMT 3 Jun 93

["Shameless Blast"—KCNA headline]

[Text] Pyongyang, June 3 (KCNA)—The delegate of the Japanese Government, at a working group meeting of the UN Commission on Human Rights on modern-type slaves held recently in Geneva complained that the problem of "comfort women for the army" had been brought up at the United Nations, stringing out a rigmarole that Japan had reached "an agreement" with the South Korean puppets on the problem and "is working to clarify the fact".

MINJU CHOSON today refutes this as a shameless act to gloss over the heinous crimes of the Japanese imperialists.

The analyst says:

The persistent opposition of Japan to the discussion of the problem of "comfort women for the army" on the UN rostrum is little different from its denial of its crimes.

In view of the spirit of the UN Charter, the heinous war crimes such as the drafting of "comfort women for the army" must be dealt with at the United Nations and measures be taken to prevent the recurrence of that sort of crimes.

As the Japanese authorities are trying to hush up such shocking crimes as the drafting of "comfort women", Japanese tourists openly reduce little girls to child prostitutes in Asian countries still today.

In view of the gravity of the crimes and the demand of the spirit of the times, it is a problem which must be thoroughly solved, not problem to be hushed up through discussion with such flunkeyist traitors as the South Korean puppets.

If the present Japanese authorities want to erase the image of old Japan that committed such henious anti-human crims as the drafting of "comfort women for the army", they must not try to dodge the charges for the past crimes but admit them, clearly liquidate them and take a sincere stand of adequate compensation.

Japan Social-Democratic Party Delegation Departs

SK0406042893 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 1 Jun 93

[Text] The Japan Social-Democratic Party delegation led by Yuzuru Shimazaki, vice chairman of the party Central Executive Committee and member of the House of Representatives, left our country on 1 June.

Kim Yang-kon, vice director of a department of the Workers Party of Korea Central Committee, saw off the delegation at the airport.

Sakhalin Korean Leader Discusses Visit to Japan

SK0306130893 Pyongyang KCNA in English 1034 GMT 3 Jun 93

["Brilliant Fruition of Chuche-based Idea of Overseas Koreans Movement and Outstanding Leadership"— KCNA headline] [Text] Pyongyang, June 3 (KCNA)—Chae Chong-man, general coordinator of the organization of Korean citizens in Sakhalin, on a visit to Japan told the Tokyo-based Korean News Service (KNS) on May 26 that the ever-victorious advance of the General Association of Korean Residents in Japan (Chongnyon) is a brilliant fruition of the chuche-based idea of the overseas Koreans movement propounded by the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il and of their illustrious guidance, the KNS reported.

He said his visit to Japan was intended to follow the example of Chongnyon and develop the organization of Korean citizens in Sakhalin to a high stage.

He noted that during the visit he went round various places including Korean University and understood well that Chongnyon was successfully developing its patriotic work from generation to generation, and could look ahead to its bright future.

Saying he became convinced through the visit that the chuche idea which was founded by the great leader President Kim Il-song and is being developed and enriched by the dear leader Comrade Kim Chong-il has been brought into full bloom within Chongnyon, he stressed that he would strive to expand his organization in the future.

PRC State Council Leader Meets News Delegation

SK0406042093 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 31 May 93

[Text] Luo Gan, state councillor and secretary general of the State Council of the PRC, met with our country's Industrial Press Group delegation led by Yi Su-chol, vice president of the publishing house and editer-in-chief of the Economic Press. They conversed in a friendly atmosphere. The delegation is now visiting China at the invitation of China's ECONOMIC DAILY.

Members of the delegation, ECONOMIC DAILY Editor-in-Chief Fan Jingyi, and our country's Ambassador to the PRC Chu Chang-chun were present at the meeting.

Meeting Marks National Day of Seychelles

SK0306132393 Pyongyang KCNA in English 1047 GMT 3 Jun 93

[Text] Pyongyang, June 3 (KCNA)—A meeting took place here today to mark the 16th national day of the Republic of Seychelles.

Present there were Choe Sun-so, president of Kim Cholchu University of Education and chairman of the Korea-Seychelles Friendship Association, and other officials concerned and working people in the city.

A speech was made and a message of greetings to the president of the Republic of Seychelles adopted at the meeting.

WPK Delegation Returns Home from Cuba 1 Jun

SK0406035993 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 1 Jun 93

[Text] A delegation of Workers Party of Korea [WPK] functionaries led by Choe Kwan-yong, vice director of a department of the WPK Central Committee, returned home from Cuba by plane on 1 June.

Kim Song-tuk, vice director of a department of the WPK Central Committee, received the delegation at the airport.

New Envoy to Nepal Appointed by Decree

SK0406110093 Pyongyang KCNA in English 1032 GMT 4 Jun 93

[Text] Pyongyang, June 4 (KCNA)—Yim Hoe-song was appointed DPRK ambassador to Nepal, according to a decree of the Central People's Committee of the Democratic People's Republic of Korea.

Student Alliance To Send Group to Panmunjom

SK0406003293 Pyongyang KCNA in English 1520 GMT 3 Jun 93

[Text] Pyongyang, June 3 (KCNA)—The North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) expressed full support to the South Korean Federation of General Student Councils (Hanchongnyon) in its struggle for the holding of the Panmunjom talks.

In a letter sent today to Kim Chae-yong, chairman of "Hanchongnyon," Ho Chang-cho, chairman of the North side headquarters of Pomchonghangnyon, said:

Finding it hard to repress our excitement at the happy news that "Hanchongnyon" is promoting the June 12 North-South student talks, we are eagerly waiting for the day when we will meet with students of the South.

We believe that your organisation will demonstrate again its dignified sight through the struggle for the realization of the Panmunjom talks, the first of its kind since its inauguration as a militant organisation of patriotic students in South Korea.

We will send a delegation of the North side headquarters of Pomchonghangnyon and an observers' group to Panmunjom at 11 A.M. June 12 as proposed by your organisation.

The North side headquarters of Pomchonghangnyon and the entire students under the Korean Students Committee will always advance along the patriotic road of reunification to the end in one mind and purpose with "Hanchongnyon."

Daily Urges People To Defend, Glorify Socialism SK0306115693 Pyongyang KCNA in English 1015 GMT 3 Jun 93

["NODONG SINMUN Calls for Steadfastly Defending and Glorifying Socialism"—KCNA headline]

[Text] Pyongyang, June 3 (KCNA)—NODONG SINMUN today editorially calls on all the members of the Workers' Party of Korea and working people to steadfastly defend and glorify socialism won at the cost of the blood.

"Let us steadfastly defend and glorify socialism won at the cost of blood through thick and thin," a call set by the Central Committee of the Workers' Party of Korea on the occasion of the 40th anniversary of the victory in the Fatherland Liberation War, is a militant one reflecting the revolutionary faith and indomitable will of our party and people to firmly defend our most superior socialism centred on the popular masses and add lustre to it, the editorial says, and goes on:

Korean-style socialism centred on the popular masses is the most precious gain of our revolution that struck strong roots during the glorious anti-Japanese revolutionary struggle and that the Korean people won and defended at the cost of their blood in the protracted, arduous struggle against the imperialists and the reactionaries. The Korean people have become deeply conscious through their life experience of what a big price the Korean people paid for our socialism.

Socialism is, so to speak, the life and soul of the Korean people.

To steadfastly defend and glorify our socialism won at the cost of blood is an essential requisite to smashing all the moves of the imperialists and the reactionaries to isolate and stifle our republic and crush our socialist cause, strengthening the position of socialism and triumphantly accomplishing the revolutionary cause of chuche.

All the party members and working people, always mindful of the truth that defending socialism means victory, abandoning it means death, must staunchly fight to check and frustrate all the interference and aggressive moves of the imperialists and the reactionaries.

They must have a staunch anti-imperialist revolutioanry spirit of not allowing any pressure, interference and aggressive moves by the imperialists and the reactionaries but fighting them to the last.

The editorial calls for strenuous efforts to create the "speed of the general onward movement of Korean-style socialism" and for directing efforts to the implementation of the party's revolutionary economic strategy and intention to effect a new upsurge in socialist construction.

Articles Dedicated to 3 Jun Uprising Anniversary

SK0306122893 Pyongyang KCNA in English 1022 GMT 3 Jun 93

["29th Anniversary of June 3 Uprising in S. Korea"— KCNA headline]

[Text] Pyongyang, June 3 (KCNA)—Papers here today dedicate articles to the 29th anniversary of the June 3 uprising of South Korean students and people.

The author of an article of NODONG SINMUN says:

The uprising began with a rally against the South Korea-Japan "talks" and the "ceremony of burning imperialism and traitors in effigy" by students of the College of Liberal Arts and Sciences of Seoul National University. It was an eruption of the irrepressible national resentment at the treacheries of the South Korean traitors manipulated by the U.S. imperialists and at the undisguised reinvasion scheme of the Japanese militarists.

Although the June 3 uprising ended without a decisive victory under the brutal crackdown of the puppet clique, it thwarted the talks temporarily and dealt a heavy blow at the Japanese reactionaries' criminal reinvasion scheme and the South Korean puppet clique's treacheries.

However, the will of the June 3 fighters who cried for a new politics and a new life free from outside forces and fascism, shedding blood on the streets of resistance, is yet to be realised.

The U.S. imperialists are stepping up their policy of aggression on Korea to execute their aggressive Asia-Pacific strategy. They resumed the "Team Spirit" joint military maneuvers under the pretext of "suspicion of nuclear development" against the North and are raising a clamour for "special inspection", thus bringing the situation on the Korean peninsula to the extreme pitch of strain.

The moves of the Japanese reactionaries to stage a comeback to South Korea are assuming more serious dimensions.

The present rulers of South Korea are invariably following the policy of dapendence on outside forces which was pursued by the preceding military dictators.

The South Korean students and people should more courageously fight to check and foil the moves of aggression and interference on the part of the U.S. imperialists and the Japanese reactionaries, get the U.S. troops and nuclear weapons withdrawn, terminate the colonial fascist rule and establish a true democratic politics and civilian politics in order to realise the aspirations of the June 3 fighters.

The author of a MINJU CHOSON article praises the June 3 uprising of the South Korean students and people as a righteous anti-imperialist, anti-fascist patriotic resistance to oppose aggression of outside forces, liquidate

the colonial fascist dictatorship and achieve the democratization of society and the reunification of the country.

Province Commemorates Pochonbo Battle Victory

SK0406050093 Pyongyang KCNA in English 0424 GMT 4 Jun 93

[Text] Pyongyang, June 4 (KCNA)—A Yanggang Provincial meeting was held in Pochon County Thursday to commemorate the 56th anniversary of the victory in the Pochonbo battle organized and commanded by the great leader President Kim Il-song on June 4, 1937.

Yi Kil-song, chief secretary of the Yanggang Provincial party committee and chairman of the Yanggang Provincial people's committee, made a report at the meeting.

He said the Pochonbo battle, which recorded a brilliant chapter in the Korean people's glorious history of the anti-Japanese revolutionary struggle, was a historical event of great significance in carrying out the strategic plan of the great leader for terminating the colonial rule of the Japanese imperialists by the Korean nation itself and achieving the independence of the country and the sovereignty of the nation, he added.

The reporter recalled that the great leader put forward the historical policy of advance into the homeland at the Xigang meeting in March, 1937, and personally set out on the road of an attack on Pochonbo, leading the main unit of the Korean People's Revolutionary Army.

The great leader dispersed the forces of the enemy by curious and superb tactics and created confusion in the frontier guard system before crossing the river amnok together with his unit and seizing Pochonbo town in a flash, the reporter said, and stressed:

The victory in the Pochonbo battle vividly shows that a people are sure to win in a battle against any formidable imperialist enemy when they heroically fight to shape out the destiny of the country as well as of theirs by themselves with the transparent spirit of national independence under the guidance of the great leader.

'New Legend of Hero' Originated on Mt. Paektu

SK0306114493 Pyongyang KCNA in English 1003 GMT 3 Jun 93

[Text] Pyongyang, June 3 (KCNA)—A new legend of hero is now afloat across the country. It originated from the area of the Mt. Paektu secret camp in the northern region of Korea.

The tale came from the local inhabitants who witnessed an unusual natural phenomenon in the sky above Chongil Peak of the secret camp area on May 23.

At around 18:00 that day, the first rain of the year fell in this area with lightning and thunder.

It is well worth noting that lightning, thunder and heavy rainfall that had been seen in the period from late June to early July from olden times came in May. All the more noticeable is that the phenomenon lasted for more than 12 hours.

Rolls of thunder and streaks of lightning cutting dark clouds without letup reminded a lengendary hero mowing down an array of enemy troops with a long sword, with his impetuous order rocking the Lake Chon atop Mt. Paektu. [sentence as received]

At around 7 the following morning, not a speck of cloud could be seen in the cleared sky. The bright sun rose above Chong-il Peak two hours later, shedding dazzling rays.

The local people who have heard a lot of legends about Mt. Paektu from the period of the anti-Japanese revolutionary struggle are unanimous in saying that the wonders of nature around Mt. Paektu in the days of the struggle against the Japanese imperialists had been conveyed as many revolutionary tales lauding the great leader President Kim Il-song as a legendary hero, and today such unusual natural phenomenon occurred in the area of the old home of the dear leader Comrade Kim Chong-il, in which the nature told the whole world a legend of a hero, a peerless great man and great, brilliant commander leading the military and political war with the imperialists to victory under the acute international situation.

Coal Mine Construction Answers Workers' Party Call

SK0306130193 Pyongyang KCNA in English 1030 GMT 3 Jun 93

[Text] Pyongyang, June 3 (KCNA)—Some 20 coal mines and pits are currently under construction in different places of Korea in hearty response to the calls of the Central Committee of the Workers' Party of Korea issued on the occasion of the 40th anniversary of the victory in the war.

The builders of the Hwapung coal mine in Anju District have completed the construction of more than 30 objects including the pit carriage, power and muck-removing systems and are now expediting the construction of a unified command switchboard and the railway line branching into the mine at a high tempo.

Those who undertook the construction of the Namyang coal mine in northern district have reinforced the mining equipment and accelerated the project for laying a long-distance belt-conveyor in the pit, thereby opening up a prospect of producing several hundred thousand more tons of coal annually.

Pit construction has been completed recently at coal mines in South Hamgyong Province, Kangso and Kangdong Districts.

Meanwhile, preparations are under way to start coal cutting at the already completed coal mines and pits.

KCNA Reviews 4 Jun Pyongyang Press

SK0406052293 Pyongyang KCNA in English 0458 GMT 4 Jun 93

[Press review]

[Text] Pyongyang, June 4 (KCNA)—NODONG SINMUN today carries a letter to the great leader Comrade Kim Il-song from the participants in the Ugandan national seminar on his contributions to the defence and victory of the socialist cause which was held on his birthday.

Papers report that President Kim Il-song received solidarity messages from different countries supporting the "10-point programme of the great unity of the whole nation for the reunification of the country" put forward by him.

The Mozambican magazine tempo printed the brief biography of President Kim Il-song says NODONG SINMUN.

Given in the press are an account of a Yanggang Provincial meeting held to mark the 56th anniversary of the victory in Pochonbo battle (June 4, 1937) organized and commanded by President Kim Il-song during the period of the anti-Japanese revolutionary struggle and articles on it.

Works of the dear leader Comrade Kim Chong-il were disseminated and studied in different countries, says NODONG SINMUN.

NODONG SINMUN comes out with an editorial calling for exalting the class consciousness of the party members and working people and MINJU CHOSON an article entitled "thorough embodiment of the idea and leader-ship of the leader is basic principle of people's power building".

Econews of the press includes reports about innovations effected in the fields of the coal industry and railway transport in hearty response to the calls of the Central Committee of the Workers' Party of Korea issued on the occasion of the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War.

Vice-president Yi Chong-ok, a special envoy of President Kim Il-song, met the Ghanaian president, according to the press.

Papers introduce the Pochonbo electronic band which demonstrated its might of Korean-style electronic music and its repercussions upon working people at home and foreigners.

Seen in the press is a letter the chairman of the North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) sent to the chairman of the South Korean Federation of General Student Councils (Hanchongnyon) upon hearing the news that "Hanchongnyon" is promoting the "June 12 North-South students talks".

Echoed in the press are voices of South Korean people longing for the advantage of the educational system in the northern half of Korea.

The press informs the readers that "Hanchongnyon", the Pusan-South Kyongsang Provincial Federation of General Student Councils (Pugyongchongnyon), students and father Mun Kyu-hyon demanded the withdrawal of the U.S. Armed Forces, probe into the truth behind the Kwangju massacre and punishment of the principal culprits.

NODONG SINMUN carries the fourth instalment of an article exposing the development of nuclear weapons in South Korea. MINJU CHOSON runs an article entitled "Japan is becoming a hotbed of new nuclear war".

Papers report that the 10-point programme of the great unity of the whole nation was supported and the unreasonable "resolution" of the U.N. Security Council against the Democratic People's Republic of Korea denounced in different countries.

Given in the press is an account of a meeting sponsored by the State Environmental Commission in Pyongyang on the world environment day.

Papers carry news that the Iranian president expressed his will for cooperation with countries of Persian Gulf and the presidents of Tunisia and Mozambique called for a stop to armed conflicts in Angola in a joint communique.

NODONG SINMUN comes out with an article on worsening economic contradictions and frictions between the United States and the European Community (EC).

South Korea

North Proposes South Contact After U.S. Talks SK0406093793 Seoul YONHAP in English 0910 GMT 4 Jun 93

[Text] Seoul, June 4 (YONHAP)— North Korea on Friday [4 June] proposed that a working-level contact to discuss the proposed exchange of special envoys between the two Koreas be held at Panmunjom on June 8 instead of June 5 as the South suggested earlier. Pyongyang made the counterproposal in a telephone message signed by Administration Council Premier Kang Song-san and addressed to his South Korean counterpart, Prime Minister Hwang In-song.

The message was flashed at 4 pm, the closing time of a day's operation of the South-North hotline. In the message, the North also demanded that the exchange of special envoys be discussed without any prerequisites.

"An attempt to mix the nuclear issue into the workinglevel talks designed to discuss the exchange of special envoys will only result in delaying the exchange of envoys and also the realization of the Korean peninsula's denuclearization itself," Kang asserted. Kang was referring to South Korea's suggestion that the preparatory talks discuss the issue of including the nuclear question in the matters to be taken up by visiting envoys.

An observer in Seoul said North Korea's policy to postpone the contact until next Tuesday was apparently aimed at preparing their contact strategy based on the outcome of the second round of U.S.-North Korea nuclear talks slated for Friday evening in New York. "The North's counterproposal can be taken to have withheld their final strategy at the moment rather than to have rejected our earlier proposal," said a Seoul government official, adding that the government would examine the North's latest offer in consideration of the results of the U.S.-North Korea talks in New York.

Pro-North Official: Group Tour Postponed

SK0406045593 Seoul KBS-1 Television Network in Korean 1237 GMT 3 Jun 93

[Text] An official in charge of international affairs of the General Association of Koreans Residing in Japan [Chochongnyon], a pro-North Korean association, said that North Korea has asked him to postpone group tours to North Korea by Japanese and Korean residents in Japan until after July. He said he had no idea why North Korea had made such a request.

Meanwhile, citing government sources, Japan's JIJI News Agency reported that North Korea banned all entries of Japanese and Korean residents in Japan into North Korea for two months beginning I June and that at the same time, North Korea directed all Japanese living in Pyongyang to depart the country by 15 June.

DPRK Trade Shows 4.4 Percent Decline in 1992

SK0306134993 Seoul YONHAP in English 1229 GMT 3 Jun 93

[Text] Seoul, June 3 (YONHAP)—North Korea's external trade totaled 2,470.28 million dollars last year, down 4.4 percent from the previous year. According to the Korean Trade Promotion Corp. (KOTRA) on Thursday [3 June], exports amounted to 916.06 million dollars, a decline of 3.0 percent from 1991, and imports 1,554.22 million dollars, down 5.2 percent.

KOTRA said that last year North Korea imported 1,006,000 tons of crude oil from China and about 30,000 tons from Russia. A substantial amount was also introduced from Iran and some other Middle East countries.

However, given the fact that North Korea used to introduce about 2.5 million tons from China and the former Soviet Union a year up until the mid-1980s, North Korea must have suffered a serious oil shortage, a KOTRA official said. To make up for its short supply of foods, he said, North Korea imported 68,477,000 dollars worth of grains from China and about 20,000 tons from the former Soviet Union.

But, no grains could be purchased from Canada and Australia last year, the major sources of North Korea's grains imports in the past. China accounted for 28.2 percent of the total trade volume of North Korea last year. Japan and the former Soviet Union represented 19.5 and 11.8 percent, respectively. Meanwhile, Japan emerged as North Korea's largest exports market last year. Of North Korea's total exports, 28 percent went to Japan, the KOTRA official said.

Kim Yong-sam Answers Correspondents' Ouestions

SK0306060693 Seoul KBS-1 Television Network in Korean 0023 GMT 3 Jun 93

[President Kim Yong-sam answers questions raised by correspondents in a news conference marking his 100 days in office at Chongwadae—live]

[Text] [President Kim Yong-sam] I will now answer your questions.

[Kim Song-su, YONHAP News Agency] Almost 100 days have passed since this new government was inaugurated. Would you please give us your interim assessment of reforms you have carried out thus far and the direction for future reforms? Also, in your opening speech of the news conference you mentioned that with the passage of the public officials' ethic law at the National Assembly session, reform for clean politics will be discussed in detail soon. Could you elaborate on the contents?

[Kim Yong-sam] As I said in my opening statement, I think I have done my best during the past 100 days. I think I did my best to rescue the country with all my might. Of course, I am not saying that everything was done outstandingly during the 100 days. You asked me to make an interim assessment of reform, but such an interim assessment of reforms is not timely. In the course of carrying out reform, I was indeed lonely; my life and thoughts were filled with loneliness. There were many moments when I had to make solitary decisions. Although not everything is satisfactory, at this point, I can say that I have done my best thus far.

In connection with the passage at the National Assembly of a new public officials' ethics law, I disclosed my assets as soon as I took office as president but never forced or advised anyone else to disclose their property. All cabinet members, including the prime minister and even all the vice ministers, disclosed their property. Subsequently, lawmakers of the Democratic Liberal Party disclosed their property at the National Assembly and even lawmakers from the opposition Democratic Party disclosed their property, although there were some arguments about this.

I instructed our party to make all efforts so that the new ethics law could be passed during the recent National Assembly session without fail. I strongly instructed our party to make sure that the new ethics law pass in the recent National Assembly session at any cost. The passage of the new ethics law was a great event in our history. With the passage of the law, I think, no one will be able to gain wealth through illegal and unjust methods. I have a firm conviction to build a society in which only those who work hard by shedding sweat can be compensated. Therefore, revision of the public officials' ethics law this time was a first in our history and, therefore, should be assessed highly.

[Kim Hong, Korean Broadcasting System] Rumors of political reorganization abound these days. That is, a rumor of founding a new political party, or a rumor of reorganizing existing political circles through party nomination of parliamentary candidates for the next 15th National Assembly, prevails. What do you think of this?

[Kim Yong-sam] Such rumors are groundless. I do not feel any necessity for that. Now is not the time to think about reorganization of political circles. In no way can we consider such a thing at present. The 15th National Assembly is still about three years away. Of course, I think that during the party nomination of parliamentary candidates for the next National Assembly we may consider selecting many outstanding persons who will assume responsibility for state affairs and who are suitable for carrying out clean, moral, reform politics.

[Kim Hyon-il, CHUNGANG ILBO] Some people claim that so far during the inspection drive, various public officials have been handled differently depending on how close they are to the president or on their political views, which they say may have been merely coincidental. Still, they say the inspection drive was unfair and intended for political retaliation. Would you comment on this, Mr. President?

[Kim] I want to make myself clear on this issue. Even the person who went through very difficult times with me and worked as my chief secretary was detained for involvement in irregularities. As you know, former Democratic Liberal Party Secretary General Choe Hyong-u shared joy and sorrow with me during those difficult times and was the most important official among the four major party leaders. However, I had him resign from his post because his son entered college by illegal means.

Also, lawmaker Kim Tong-yong, who died long ago, shared joy and sorrow with me and suffered indescribable pain in the long struggle for democracy. He suffered those difficulties in and out of prison. Still, I did not conceal the fact that his daughter entered college by illegal means: I made it public even though he is dead. My heart is aching, of course.

I think you still remember what I promised the people during the presidential election campaign. I promised the people that I will not forgive those who try to buy power with money or accumulate wealth with power.

I suffered pain from those who had power not only when I was in the opposition for a long time, but also when I

was in the ruling party. This is a fact. I do not have to elaborate on this. Coincidentally, those who were found to have been involved in irregularities are now being punished. If you call this political retaliation, you are absolutely wrong. If I punished only those who supported me and forgave all who opposed me, what would you journalists think of me and what would the people think of me?

I am handling this issue based on principle, and I walk the straight and narrow path in an aboveboard manner, and I will continue to do so in the future. This is not political retaliation, but merely punishment of irregularities for the sake of reform.

That there should be no sanctuary from the investigations is my consistent will.

[Kim Chong-ki, CHOSON ILBO] You have over a 90-percent approval rating for your reform drive, according to public polls by various organizations. Some fear that constructive criticism of your reform drive might be overshadowed by such a high approval rating. Have you ever heard any constructive criticism of your reform drive from those around you? If so, can you tell us what it was and what you think about it?

[Kim] The people have given me overwhelming approval on my reform drive of the last 100 days. All I can say is that I really thank them for their support. I will humbly carry out the affairs of state. I keenly felt the importance of the responsibilities of the president after I took office. I also realized that in a presidential system of government, the president plays a decisive role in determining the country's destiny.

Concerning constructive criticism, I am quite open to those around me for their opinions. I carefully and scrupulously examine all reports from within and without the government. In addition, I make it a rule to watch all television news programs and to read all kinds of newspapers, including morning and evening editions, until after midnight because some morning-edition papers are delivered late the night before. Reading newspapers gives me access to the most important information. Moreover, I am trying to listen to critical public opinion in this way.

You correspondents from the domestic press are monopolizing opportunities for asking questions. Now, may I receive questions from foreign correspondents?

[Unidentified foreign correspondent, in English] Mr. President, I want to thank you on behalf of the foreign press for including us in this first joint conference with domestic newspapers and other media.

Mr. President, you have said that cutting government red tape is one of your highest priorities. Yet, so far the parts of the five-year plan that we have seen promise continued overregulation over the economy. When will you proceed as forcefully with cutting red tape as you have in other sectors of the society?

[Kim] I sense that it is very difficult to give up customary practices and customs. We have been under military rule for almost 40 years. Before I took office as president, I realized that serious irregularities and corruption existed in our society. However, the seriousness of irregularities and corruption was far more than I had imagined. The problem is that those involved in irregularities and corruption of some sectors of society are not aware of their sins. Because of the lack of awareness of these sins, irregularities and corruption have become customary practice. Therefore, we have to correct people's thinking. It will be difficult to completely correct these practices in 100 days. However, I am determined to correct them without fail.

I admit that we have had too many regulations over the economy. Yes, this is wrong. For example, constructing a plant requires more than 300 approvals from various agencies. We greatly simplified the approval procedures through both legal and administrative means. We are also working out measures for further simplification, and it is a matter of time until we solve this problem.

[Unidentified foreign correspondent] What can you can tell us about the meeting in New York yesterday?

[Kim] Not only the Korean people but also people all over the world are interested in the talks. However, I have not yet learned about its results.

North Korea should revoke its decision to withdraw from the Nuclear Nonproliferation Treaty [NPT] and receive the International Atomic Energy Agency's [IAEA] inspection. I do not want North Korea to be isolated from the international community, and I sincerely hope North Korea makes a decision in that direction. I hope the nuclear issue can be resolved at U.S.-North Korean meetings and that it can also be discussed when North-South contacts are held.

[Shimoka, Japan's MAINICHI SHIMBUN] I am glad to see you after such a long time. The new government has expressed its new positions on historical events—the Kwangju incident and the 12 December coup d'etat, for example. However, the new government has not yet clarified its position on the military coup d'etat engineered by former President Pak Chong-hui on 16 May. What do you think about the 16 May coup, and what is your opinion on the achievements of former presidents and how they affected events in the ROK? I know that Democratic Liberal Party [DLP] Chairman Kim Chong-pil expressed his own view of them some time ago.

[Kim] The 16 May incident was clearly a coup d'etat. It was a major beginning that pushed back our progress. However, we should give deep thought to it. As to this past event, I made a promise to the people during the last presidential election campaign; I made this promise in presidential election campaigns before it; I have made the promise on other occasions as well. I think I have obtained the approval of the people. The promise was that I will never engage in politics of revenge. The people

must have understood it when I said it. Therefore, I think that all of these issues should be left for history to judge.

[Kuroda, Japan's SANKEI SHIMBUN] I am Kuroda of Japan's SANKEI SHIMBUN. I would like to ask you about South-North relations. It seems you said that North Korea was a partner, and that you oppose both reunification through absorption and North Korea's isolation. Basically, what do you think about Kim Il-song's communist regime? I would like to hear your plan on coexistence and coprosperity with communism.

[Kim] The most important South-North issue is to restore trust. This should precede everything else. As in all human relations, what is most important is having faith in each other, and I believe trust between the South and North is most important. However, the current situation makes it very difficult to have faith in North Korea because of the nuclear issue. Trust cannot be restored unless the nuclear issue is fundamentally resolved. We should also work on exchange and cooperation. I believe these issues should be resolved before anything else is resolved.

[Yi In-yong, Munhwa Broadcasting Corporation] I would like to ask you about the upcoming political timetable. Elections of chiefs of regional autonomous bodies are to be held before June 1995. When do you plan to hold the elections? Also, elections of regional councilmen and chiefs of regional autonomous bodies, the general elections, and the presidential elections will all be held in succession. It is being suggested that there is a need to adjust the period of elections. Do you have any plans or supplementary measures regarding this matter?

[Kim] As I have already said, our most important and pressing task is to revive the economy. This is the most important problem, and it should be given top priority. Our people also think so. Thus, is it right to hold elections one or two times a year? I believe our political leaders and people should think about this problem. I firmly believe that elections of chiefs of regional autonomous bodies should be held without fail because this is the basis of democracy. However, our administrative ability is such that it is inevitable that elections are held one at a time. If we computerize elections, some of them can be held at the same time so that the people receive a minimum economic shock. Of course, this problem should be continuously examined.

[Kim Chung-il, KYONGHYANG SINMUN] I would like to ask you another question about the political timetable. General elections are held every four years, and the presidential elections are held every five years. Twenty years have to pass before the general elections and presidential elections are held at the same time. I believe this is very important. Have you ever thought about a constitutional amendment on the problem of term of office and on whether the National Assembly can be dissovled?

[Kim] There is a problem because the general elections and the presidential elections are held separately. I believe it would be good to hold these elections together, but this requires a constitutional amendment. This is a very important and difficult matter. I would like to make clear that I will not amend the constitution during my term of office, whatever the reason. I will work to be a president who is clean and makes utmost efforts during my five-year term of office.

[Mike Bream, THE WASHINGTON TIMES, in English] Mike Bream from THE WASHINGTON TIMES. You said you would like to see North Korea taken out of its isolation if the nuclear issue is resolved. Do you think the United States has a role to play in this? The United States has absolutely no exchanges or contacts of any kind with North Korea. Do you think it should reconsider and develop business and other ties with the North? Thank you.

[Kim] In connection with this issue, the United States has consistently supported dialogue between the parties concerned. China, who we think has closer ties with North Korea, has done the same. Therefore, I understand that during the talks between the United States and North Korea, now being held in New York, the United States will support talks between the North and South, the parties concerned.

[Chon Yong-hak, Seoul Broadcasting System] Reforms have been vigorously pursued. However, some people say that only the president has stood out. Some even point out that your cabinet lacks the will to pass reforms. Do you have any measure to harden the cabinet's will to pass reforms and improve its teamwork? You have said that you would not have frequent cabinet reshuffles if possible. Do you have any plans for a cabinet reshuffle?

[Kim] The mass media have often speculated on cabinet reshuffles. A short while ago I had a breakfast with all of the cabinet members. As president, I gave them several pieces of advice during the breakfast, which was almost a cabinet meeting. I asked all of the cabinet members to be united around the prime minister, take a new turn, and fulfill their duties without losing their dignity. I ask them to do their best, for they are the most responsible officials in each field.

Since before I became president, I have believed that replacing cabinet ministers often is a bad policy. At about the time ministers understand their jobs, they are replaced. I do not think that this must take place. They should not be replaced unless they make very grave mistakes or do considerable harm to the people. Therefore, I am not considering a cabinet reshuffle.

Cabinet ministers are new in their jobs, and it is difficult to learn their jobs quickly. I hope the people and you journalists will understand and cooperate with them.

[Ko To-son, CHUNGANG KYONGJE SINMUN] You were once said to be a weak president for the economy. However, recalling the past 100 days, the people feel that you are strong in the economic field, too. A couple days ago

you said there will be no shocking or coercive measures in the economy. The effectiveness of your economic measures is expected to appear in various areas in the future. However, you said that you will limit the stock of large enterprises to only 5 percent that you will make those who have a lot of real estate suffer more and that you will impose heavy taxes on high class restaurants which contribute to consumption, luxury, and decadence. All of the people know the philosophy, will, and meaning of your remarks. However, in view of the economic aspect, your remarks on imposing heavy taxes on those restaurants contributing to consumption, luxury, and decadence are very shocking. What do your remarks that there will be no shocking measures in the future mean, and what do they cover?

[Kim] I want you to interpret my remarks correctly. Some newspapers recently reported rumors that conglomerates would be dismantled and the like. Of course, the government has no such plan or intention at all. Such acts are inconceivable in a democratic, capitalist society. However, I do not mean that conglomerates can do anything and conduct business without any limitations. What I mean is that large enterprises should not practice the business tyranny of taking business away from small and medium enterprises, as we saw in the past. That is, conglomerates' businesses should be specialized. The relations between large enterprises and small and medium enterprises were relations of confrontation during the Fifth and Sixth Republics. In fact, the relations between conglomerates and small and medium enterprises are not confrontational but supplementary. Therefore, large enterprises have an interest in seeing small and medium enterprises grow well. This is my view on business firms.

As to the question of dispersing conglomerates' stocks, I stress that their stocks should be dispersed among the people, that is, workers. The government is not empowered to instruct conglomerates to do this and that.

I have mentioned those people who own too much real estate. In fact, those people who own too much real estate receive unearned income. They are tax evaders. They have illegally handed their property over to their sons. We will impose heavy taxes on those who own too much property so as to prevent other people from owning too much property. As to the question of luxurious entertainment establishments, I know that you know how these luxurious entertainment establishment are managed. I know that these luxurious entertainment establishments are hotbeds of lavishness and inconceivably decadent acts.

Our national per capita income is only around \$7,000. This kind of luxurious entertainment establishment is not found in a country with a national per capita income as high as \$30,000. This is very serious. I think luxurious entertainment establishments should be eliminated to establish social order and to revive our economy. No luxurious entertainment establishments exists in countries with a high national per capita income, like Sweden, whose national per capita income has reached \$30,000.

Our country is the only one in the world that has luxurious entertainment establishments. Such being the situation. I think we should impose heavy taxes on these establishment so that we can make their management difficult. I think that doing so would be beneficial to the country and the people.

[Kim Song-chin, KUNGMIN ILBO] Regarding the method of selecting your successor, you said that free competition will be carried out within the party, but that you will also say who you support. It is premature to talk about this, but when do you plan to select your successor and how will you do it?

[Kim] Our country's people are truly impatient. Why are they so impatient? I believe that being patient and waiting are important virtues. Tomorrow will mark only 100 days since I took office. It is not yet time to talk about my successor. Will people not say that something is wrong if I talk about this? Please understand my position.

[Hwang Nam-chun, NAEWOE KYONGJE SINMUN] Some business circles are feel as if they are drying up and losing the will to invest because of the current scrutiny. On the other hand, some feel that in order to revive the economy's vitality, a new business climate should be created by eliminating irregularities. When will you start scrutinizing the economic field, especially the business circles? Or will you entrust it to self-purification?

[Kim] I am well aware of this matter. I will not name a specific country as an example, but you all know of countries, not to mention Japan and Korea in Asia, and other countries that were rich before World War II, but are now in difficult situations. Even though all of South America's countries have abundant natural resources, you are all aware that many of them are suffering from economic difficulties. Why did these countries have to suffer? Because of the corruption of the rulers and the people, including civil servants, businessmen, and the president. This is why those countries are in ruins. Without eliminating corruption, there is no way for the economy to revive. We learn from history, not from anything else. Our lessons come from history. Therefore, to revive our economy, the most important issue is to eliminate corruption.

What I regarded as the three most important pledges to the people during the presidential elections were the elimination of corruption, reviving our economy, and establishing state discipline. I will make utmost efforts to achieve this. As I promised the people, I will not ask businesses for even one cent, and I will never take any money from anyone. That money should be invested in businesses, used to develop technology, and used for the workers' welfare. The economic problem will not change in a day, but it is gradually beginning to stir. Imports are being reduced and export are increasing. However, you should be aware that this will not change greatly in only a day. As time goes by, I firmly belief that our economy

will change. As president, I will not spare efforts in various backings so that the economic circles can work enthusiastically.

[Philip Williams, Australian Broadcasting Corporation, in English] Philip Williams, Australian Broadcasting Corporation. Mr. President, you made it very clear that if South Korea is to become a very fair society, everyone must be exposed to the full moral force of the new Korea. You have said that it applies to yourself and you want it to apply to everyone else in Korea. Does that apply to past presidents, and why is it that the students, for example, do not seem to feel that those standards are being applied to the past presidents?

[Kim] In a sense, I can understand why those university students feel that way. However, as I told you before, during the presidential election campaign I said I would establish a strong government and become a strong president. Under the constitution, the president has the duty of defending the state and protecting the people's lives and properties. He also has the duty of protecting the people from violence.

This civilian government is legitimate and has the absolute support of the people. After this government emerged, I boldly granted clemency to student activists and rehabilitated their civil rights. As a person who was once a university student, I can understand them. I think students must be honest and sincere. They are the ones who will take charge of our country in the future.

I would allow peaceful demonstrations to promote a new culture of demonstrations. The students promised our government and people that they would stage peaceful demonstrations, but then they made fire bombs and iron pipes. They committed acts of violence, and they even disarmed policemen. They made all the people uneasy.

On top of that, to our surprise, the pro-puppet North Korea student organization raised People's Republic [DPRK] flags in public and held discussions [with North Korean students] on the telephone over several days, for a total of several hours. This is a violation of the law. The Soviet Union, the suzerain state of the communist bloc for 74 years, and all of the East European socialist countries have collapsed. A small minority of students are trying to rejuvenate socialism. I think those students are disappointing and lamentable.

As president, I make it clear that I will not tolerate anyone who violates public order and the law. This is part of my campaign to eradicate irregularities.

Did I not tell you about the past presidents? I say again: Let us leave this matter to the judgment of history in later days.

[Kim In-mo, SEOUL KYONGJE SINMUN] I will ask another economic question. During the presidential election campaign, you promised that the real-name financial transaction system would be implemented. And you have said that no economic revival will be achieved without eradicating corruption. Many people believe that implementing the real-name financial transaction system is a shortcut to eradicating corruption. Would you tell us when and how you will implement the real-name financial transaction system and what the preconditions are for implementing this system?

[Kim] This is what I promised to the people during the election campaign. I want to make clear that I will implement the real-name financial transaction system without fail. However, I do not think it timely to elaborate on when and how this will be done. I hope you will understand this.

I want to finish today's news conference right now. Let us call it a day. Thank you. [applause]

Editorial Appraises News Conference

SK0406050793 Seoul THE KOREA HERALD in English 4 Jun 93 p 6

[Editorial: "Kim's First 100 Days"]

[Text] The press conference yesterday of President Kim Yong-sam marking one hundred days of his reformist administration was devoted primarily to the reaffirmation of his strong will to continue the ongoing cleanup and reform drive without respite or relief. His commitment to anticorruption and morality in politics and business was powerfully asserted as a permanent and staunch goal. The assertion came as an effective counter to criticism that the housecleaning may be an impulsive exercise of his personal initiative with little legal and institutional support.

President Kim's one hundred days in office as the first chief executive popularly elected with no military background in decades has been epoch-making. His vigorous campaign for a new Korea began with the disclosure of his property to ignite what was aptly termed a movement to purify the fountainhead so that clean water might flow downstream of its own accord. The unprecedented action set off a chain reaction of asset disclosures by all politicians and ranking government officials to introduce transparency and honesty into politics and bureaucracy.

Subsequent clampdowns on corruption and other irregularities caused many bad old heads to roll. It led to significant regeneration of the morale of the public service and revitalization of the personnel and financial management of government organs and corporations. What is most remarkable is a drastic change in the climate, the general tenor and value of the whole society in favor of clean and plain-living free from the onus of easy money and power. This is the reason the Kim Yong-sam administration is credited with a revolution in deed, albeit not in name.

The President has taken a series of steps to liberalize and democratize the nation's political and administrative processes by undertaking extensive pardons and rehabilitations of former dissident radicals to bring them into the mainstream of reconstruction and reform. Many old restrictions are gone and active grass-roots spontaneity and participation are encouraged.

The liberal course could give some cause for worry and misgiving on the part of conservatives and advocates of law and order and stability. President Kim came out to set them at ease when he reassured yesterday that his promise of a strong government will be kept, he will deal toughly with any resurgence of violent and subversive student activism. It is a common belief that violence and disruption of domestic tranquility, be they inspired politically or not, should be put down with the same intensity that is applied to combating corruption.

That the Seoul government will not shake hands with Pyongyang unless and until the latter renounces nuclear weapons was a clear statement of President Kim's conviction regarding the harsh reality of Korean security. He reiterated the standing position of the government that it will not pursue anything but peaceful and gradual unification of the Korean Peninsula on the basis of steady confidence building and incremental exchange and cooperation between the two parts of Korea. The pragmatic approach provides a convincing explanation for his warning against some sentimental and visionary zealots for unification at any cost.

In the challenging job of implementing a new economic program the President called on industrialists and enterprisers to do a greater part to involve themselves in economic reforms. He went on record again that the program will count on the autonomy and initiative of the business community, ruling out the feasibility of coercive governmental intervention in reducing the overconcentration of corporate ownership.

Another noteworthy point was made by the President when he denied the possibility of any constitutional revision during his term of office. For him to start wasteful partisan polemics as to changing the basic law or the election schedule will consume much of the time and energy that should be focused on tackling the more visible and urgent agenda of redressing the remnants of many old distortions and irregularities and rebuilding the shaky economy and education, while reorienting and strengthening foreign relations for dynamic and closer security and trade ties with other countries.

The incumbent government could remain as popular, strong and legitimate as it has been during the first 100 days if it keeps to its original responsiveness and humility by keeping its ears and eyes fully open to the grievances, wishes and criticisms from many quarters, and to the voice of the silent majority in particular.

Media Ratings Survey President's Popularity

SK0406092893 Seoul YONHAP in English 0711 GMT 4 Jun 93

[Text] Seoul, June 4 (YONHAP)—More than 80 percent of the South Korean people think President Kim Yong-sam did a good job during his first 100 days in office, according to two polls. A CHUNGANG DAILY NEWS telephone poll of 1,000 adults across the country on Wednesday gave Kim an 87.2-percent approval rating, while a similar survey jointly done by the TONG-A ILBO and Dongsuh Research Institute Thursday night gave him a mark of 80.8 percent. Only 1.3 percent in the joint Dongsuh-TONG-A poll disapproved of the president's job, and CHUNGANG put it at 1 percent.

With respect to his anti-corruption and reform drive, 77.7 percent in the CHUNGANG poll were satisfied and 74.9 percent in the other were happy with its "good result." Asked if the investigations into irregularities were fair in the Dongsuh-TONG-A poll, 56.7 percent said "yes," 23.7 percent "so-so," 8.2 percent "smack of a vendetta," 7.8 percent "unfair" and 3.6 percent "don't know."

In the CHUNGANG poll, education emerged as the top of the areas that require more reforms, with 34.9 percent citing it, followed by politics with 28.7 percent, the bench and bar with 16.4 percent and banking with 25.5 percent. Asked about the intensity of the reforms in the Dongsuh-TONG-A poll, 46.7 percent were for stronger reforms and 22.1 percent for reforms at the current degree while 19.7 percent wanted an end to the reforms.

Regarding relations between the reforms and the economy, the CHUNGANG survey showed 71.6 percent expected the economy to grow in direct proportion to the intensity of the reforms, while 9.5 percent said the reforms, if continued, would shrink the economy. In the Dongso-TONG-A poll, 56.1 percent saw no change in their daily lives under the reforms, 31.6 percent felt some improvement and 10.1 percent felt worse off.

Economic recovery and price stabilization were the top goal for Kim's economic policy, with 61.2 percent citing them, followed by implementation of a real-name system for all financial transactions with 12.L [as received] percent and increased research and development spending with 11.3 percent. Asked about pain-sharing for the reforms in the CHUNGANG survey, 56.1 percent said they were ready to pay more tax or endure a pay freeze, and 25 percent were against pain-sharing.

Poll Surveys Opinions on Kim's Economic Policies

SK0306134893 Seoul YONHAP in English 0644 GMT 3 Jun 93

[By U Hae-song]

[Text] Seoul, June 3 (YONHAP)—On the campaign trail last year, candidate Kim Yong-sam pledged to get the economy alive and kicking again. After his first 100 days in office, President Kim Yong-sam is not doing too badly and many experts paint a positive picture of the future. Some say they wish some of the charisma and relentlessness Kim shows in fighting corruption and pushing through social reforms would rub off on his activities in the economic

arena, where he has canned the long-awaited but muchfeared introduction of real-name financial transactions.

According to a YONHAP poll, the public gives Kim a "B" mark on his reform drive (86.5 percent approval), but a C for his economic record (30.6 percent say the economy is looking up, 54.8 percent say it is so-so, and 13.5 percent say it's getting worse). But Kim's economic aides say the economy needs to be stronger before they can perform surgery on it. The first action was the short-term stimulus package, the "new 100-day economic plan" that winds up this month. The full blueprint of Kim's economic ideas is wrapped up in the five-year economic plan, which sets sail early next month.

These aides argue that it is premature to expect any substantial effect on the economy in Kim's first 100 days, just 75 days into the 100-day plan. Many analysts agree that it's wrong to expect the president to whip the economy into shape overnight with a magic wand, but they say he should show some conviction that he is on the right track and give vision and hope to businessmen and people that they can look forward to another economic success in this country.

In that sense, Kim is said to be doing just okay. The Korean composite stock price index, a hasty reflection of economic recovery, hit 768.16 Wednesday afternoon, its highest point in more than two years and up as much as 128 points this year.

While domestic consumption made zero growth in the first quarter of the year and imports dropped 0.7 percent, exports posted relatively healthy 12-percent growth. An economic official confidently says these bright figures—restrained imports and domestic consumption, brisk exports, and a bearish stock market—can be understood as the effect of the government's economic strategy.

He scratched his head at such good results when the anti-corruption and reform drive is sending cold shivers through social and political fields. The economic sector, which responded to the winds of reform with falling stock prices and reluctant facility investment, sighed in relief when President Kim and the government guaranteed free economic activities.

But that didn't mean complete immunity. He promised there would be no shock therapy for the economy and pledged not to receive a penny from the business community, calling for an end to financial ties between the two. Conglomerates had mixed feelings at Kim's two promises and tried to read his mind while holding back on investment, while small and medium-sized firms became more aggressive investors buoyed by the reduction in red tape and richer government and bank funds.

Economic officials and analysts agree that the economy had passed its worst by March and, though slowly, is marching upward. January-March gross national product posted 3.3-percent growth, up from 2.8 percent the previous quarter, and analysts predict it will soar 5 percent by June, and 7-8 percent by the end of 1993. In

surface, the 100-day economic stimuli package produced all good signs except for one hiccup—nervous prices.

According to a report by the Bank of Korea, M2 (gross monetary supply) will grow an estimated 2.5 percent, or 2.4 trillion won (2.9 billion U.S. dollars), under the 100-day economic plan. This would lead M2 to surge 19.5 percent by the year-end, making it hard to maintain the 17-percent target and likely to cause price instability.

Pak Chae-yun, Kim's senior secretary for economic affairs, says that because the government is keeping its eye on the large money flow into facility investment and not for home consumption or real estate speculation, there won't be any inflation. He was confident of maintaining May's consumer price growth of 3.7 percent, the same level as last year, and pegging the year's figure at between 4 percent and 5 percent.

Analysts note that investment, the most positive sign of an economic recovery, is still slow mainly because business giants have not made up their minds yet. Bugging them is not only the fact that the president is no longer on their side but also that the Fair Trade Commission is engaged in elaboration on their industry specilization and ownership dispersion. They are said to be worried by the commission's announcement it will investigate unlawful dealings with subcontractors, contractors and affiliates, and urging transference of bank loans to stocks.

Analysts predict large groups will make their moves after the government bares its entire economic plan next month. While keeping a low profile until then, they have expressed concern over the Labor Ministry's inclination to introduce "partial pay for no work" policy in labor-management disputes. Han Sung-chu, president of Kia Motor Co., noted in a meeting presided over by Deputy Prime Minister Yi Kyong-sik that workers who have shown a willingness to "share the pain" were apparently moved by the ministry's labor policy.

What the business community wants most from the president and his economic team is consistency of policy, analysts say. The same goes for real-name financial transactions. Kim stressed time after time that he would impose real-name transactions, but now he says that first the economy must pick up enough to sustain the change. Some analysts say Kim and the government should not ignore the public, which gave 45.9 percent support for gradual realization of real-name transactions in a recent televison poll, and soon reveal its consistent stance on the issue in its economic plan.

PRC Parliamentary Leader To Visit Seoul 6 Jun SK0406091393 Seoul YONHAP in English 0835 GMT 4 Jun 93

[Text] Seoul, June 4 (YONHAP)—Tian Jiyun, the first vice chairman of the Chinese National People's Congress Standing Committee, is due to arrive Sunday [6 June] at the

invitation of National Assembly Vice Speaker Hwang Nakchu, his Korean counterpart. It will be the first time for a Chinese parliamentary leader to visit Seoul and will help exchanges between the countries.

Tian, who ranks eighth in the Communist Party, will meet with President Kim Yong-sam, Speaker Yi Mansop, Prime Minister Hwang In-song, Democratic Liberal Party Chairman Kim Chong-pil and leaders of the National Assembly during his seven-day stay. He is to meet with Federation of Korean Industries Chairman Choe Chong-hyon and other business leaders to consult on economic cooperation.

He will visit the site of the Taejon Expo, Olympic Stadium and Kumi Industrial Complex, and give two speeches on the situation, reform and opening of the Chinese economy. The speeches will be in Seoul and Taegu. He will agree on forming a Korea-China Parliamentarian Union in a meeting with Speaker Yi. Five vice minister-level officials and 12 others will accompany Tian on his trip.

Businessmen Note Investment Problems in Russia SK0306134093 Seoul THE KOREA TIMES in English 3 Jun 93 p 8

[By KOREA TIMES correspondent Kim Chang-yong]

[Text] Nakhodka—Russian authorities provided a sevencar police convoy and stopped traffic for three buses carrying businessmen, government officials and journalists from eight Asian and Pacific countries, while giving them only a copy of a map and a brief report on their much-touted free economic zone. No colorful pamphlet nor video presentation was given during their three-day trip to Khabarovsk, Vladivostok and this city.

"They are still good at the authoritarian way of serving public guests, yet are very poor when it comes to the capitalist way of persuading potential investors to actually bring their money to this vast land," quipped Yu Song-yol, director at the corporate planning division of Yukong Ltd. The Administrative Committee for the Nakhodka Free Economic Zone has been pushing for the development of an industrial complex for joint ventures involving Korean partners but many visitors found more problems than merits this time.

The committee, allocating about 330 hectares for Korean companies, plans to initial a rough accord with Korea on the "Russia-Korea Industrial Complex" this month, formally sign a contract in November, attract investors by December and begin work in July next year and put it into operation in June 1996. It wants to invite about 100 Korean business, mostly engaged in wood processing, fish processing, textile, garment, machinery and electronics.

The construction of a power station and a water reservoir is planned near the Korean technopark for the exclusive use of Korean investors. The committee has,

however, given nothing but paper promises and Korean companies will have to shoulder all costs for infrastructures as well as land development.

Cho Chung-kon, executive secretary of the Seoul-based Korea-CIS (Commonwealth of Independent States) Economic Association, put the estimate on leasing-fees for the land and costs for its development at 57.6 billion won, though the figures largely depend on negotiations with the Russians. Besides the basic costs, enormous social overhead capital for roads, and power and water facilities, will be needed.

The Korea-Russia Far East Economic Association and other business organizations, deeply involved in the project, recently halted negotiations as most local firms brought into the contacts are generally giving the cold shoulder to the high-stakes gamble in the Free Economic Zone. In addition to the huge amount of money for the infrastructures which take a long time to produce benefits, Governor of Hawaii John David Waihee III noted that investors could hardly expect anything from increases in land prices because the Russians will not develop adjacent land with their own government budget.

Some Korean businessmen feel it risky to pour large sums of capital in Russia at a time when its political scene is not stable and the ruble tumbles almost every day. The land leasing period, extended from 50 years to 70 years in 1991, is not long enough to see a full return on investment.

"We will have to spend a few years to prepare for investment, a few more years to get approval from the Korean and Russian governments and build plants," said Chong Chae-sik, chief executive officer of Doosan Corp., the main trading arm of the Doosan business group. "And," he went on, "we are not sure how long we will be able to enjoy full operation after the completion of all work amid the precarious Russian situation." The manpower shortage is also a serious problem.

Russians will come thousands of miles of Nakhodka if there are good jobs, as Igor Ustinov, chairman of the Russian committee, maintained, but "their rush will come only after pay for workers is raised to a high level," said Kim Myong-chung, director of Tongyang Nylon Co., a leader in the local synthetic fiber industry. Nakhodka has a population of 220,000, nearby Pardizansk 120,000 and Vladivostok, about 100 kilometers southwest of this city, 700,000.

"We had better approach this giant project in a very careful manner," Kim viewed. Chong viewed that "there are many places to invest in elsewhere if such conditions like this are given."

"You can say Russia, a longtime superpower, is better looking than China, but you will find the latter has better substance inside its humble appearance than here," said Chong, who has visited Moscow and Beijing more than

10 times. "If I have to invest money overseas at present, I will choose China rather than Russia," he added.

As of last month, 97 joint-venture companies have been registered by Ustinov's committee, along with 45 companies with 100-percent foreign capital, 65 subsidiaries, six affiliates and 18 representatives, according to official figures. By country, 90 of them come from China with a total authorized investment of 15.3 million dollars, 37 from Japan with 66 million dollars, 24 from Hong Kong with 3.3 million dollars, 23 from the United States with 28.8 million dollars, and 11 from South Korea with 5.6 million dollars.

The others are four from Canada (500,000 dollars), four from Germany (170,000 dollars), three from Norway (4.4 million dollars), three from Taiwan (80,000 dollars), three New Zealand (100,000 dollars) and three from North Korea (10,000 dollars). Eighteen other countries have also invested small sums of money in the free economic zone.

"We are largely involved in small projects. My Hyundai's 16 million dollar investment in forestry development is the largest single project authorized by the Russian government so far," said Son Chi-yong, general manager of the Vladivostok office of Hyundai Corp. "We are on the right path to doing business here now."

Peru's Fujimori Holds Conference Before Leaving SK0406095293 Seoul YONHAP in English 0934 GMT 4 Jun 93

[Text] Seoul, June 4 (YONHAP)—Peru will be ready with an exclusive South Korean industrial complex in one or two years for export to South American countries, President Alberto Fujimori said Friday. South Korea's participation in Peru's airport expansion will depend on how much it is willing to put up in finances, he said in a press conference before departure.

Fujimori, the first Peruvian president to ever come to South Korea, ended his three-day state visit that included a summit with President Kim Yong-sam, talks with business leaders and conclusion of an investment guarantee pact. He met with auto industry and other key business leaders while in Seoul and discussed their entry into Peruvian market, Fujimori said. The investment guarantee pact is certain to ease their entry and open more room for bilateral economic cooperation.

He called for complementary cooperation between South Korea's industrial technology and Peru's natural resources. He also called for new development in tourism exchanges, emphasizing that the past terrorist threats have been removed under his rule. Asked about the 1 million sq. meter South Korean industrial complex under plan, Fujimori said preparations will be complete within one or two years.

OECD Welcomes Seoul's Membership Application SK0406034293 Seoul YONHAP in English 0258 GMT 4 Jun 93

[Text] Paris, June 3 (YONHAP)—The Organization for Economic Cooperation and Development (OECD) said Thursday it welcomed South Korea's early membership considering its positive participation in OECD activities. The 24-member OECD said, in a communique released after the 32nd annual ministerial meeting, that it noted the growing activities of Korea and Mexico, who hope to join the international organization of industrialized free market countries, and said Korea's aggressive participation in OECD activities would strengthen mutual understanding and pave the way for its early membership.

Korea hopes to start negotiations on its OECD membership toward the end of next year under its five-year economic plan for joining before the end of 1996. Negotiations usually take between nine and 18 months. It is currently a member to the OECD working party on shipbuilding, development center, and nuclear energy agency, and is an observer to the Trade Committee. Seoul applied for a seat on the Steel Committee in April.

The Paris-based OECD, joined by advanced countries like Japan, the United States, and industrialized European Countries, collects and disseminates economic and environmental information. In their meeting Thursday, the OECD ministers also decided to study Mexico's qualifications to deliberate its application for entry, a preliminary step to membership negotiations. They closed their two days of talks on agreeing to promote continuous economic progress and employment to realize their ultimate goal of reducing unemployment, while promising to take "collective measures" to tackle the member countries' major challenges.

EC To Upgrade, Widen Dialogue Channel With Seoul SK0406094593 Seoul YONHAP in English 0905 GMT 4 Jun 93

[Text] Seoul, June 4 (YONHAP)—The European Community is expected to adopt a report upgrading and widening its dialogue channel with South Korea to include political cooperation, officials here said Friday. The 10-point conclusions, set to pass the European council session June 8, recognizes South Korea's significant potential as a trade and economic partner of the community.

South Korea-EC cooperation talks are held on economic issues between foreign ministers and assistant foreign ministers, opened regularly through verbal agreement between the two sides. The set of conclusions widen the dialogue topic to political issues and systematizes the negotiation channel for regular meetings at various levels, officials said.

But they include demands such as South Korea's nondiscriminatory public procurement rules for telecommunications network equipment, elimination of non-tariff barriers, better intellectual property rights protection, and heightened transparency in foreign investment legislation. They note the necessity to develop cooperation in science and technology, customs and product conformity assessment. EC has regular high-level negotiations with only selected major trade partners such as the United States, Canada and Japan.

Kim Urges Ministers To 'Work Harder' for Economy SK0406094793 Seoul YONHAP in English 0717 GMT 4 Jun 93

[Text] Seoul, June 4 (YONHAP)—President Kim Yongsam, saying the people's willingness to share pain in building a new Korea was wavering, instructed senior officials Friday to help the public carry out their resolution to a successful end. Kim's instruction came in a meeting with Deputy Prime Minister and head of the Economic Planning Board Yi Kyong-sik and other economic ministers, Home Affairs Minister Yi Hae-ku and Kim Tok-yong, first state minister for political affairs, at the Kwachon government building in southern Seoul.

Declaring that price stability should be the basis of all economic policies, Kim said government agencies should keep a close watch on commodity supplies and Ithe movement of prices, especially those of agricultural products and services. Kim also told the ministers that they should help foster the atmosphere for enterprises to concentrate on business activities such as exports and investment.

Business enterprises, for their part, should wean themselves from the practice of depending on the government for support, the president said. The government should continue to stimulate the economy so that exports and investment could recover as soon as possible. Kim said.

Especially, the government should do its utmost to help overcome the current sluggish investment in plants and equipment which became apparent in a recent bank survey, Kim added. Kim said the main purpose of the administration's 100-day economic plan was to revitalize the nation's economy so that it could proceed with its reforms of existing systems.

The president noted that the nation's economy has begun to show signs of recovery but has not yet reached the stage where ordinary citizens feel the change. He urged the ministers to work harder to speed up the recovery.

He also urged the officials to work out all the plans for the five-year economic plan by the end of this month. The five-year plan will follow the 100-day economic program that is in force at present.

Kim Tae-chung: Reforms 'Productive' in Some Areas SK0406020993 Seoul YONHAP in English 0047 GMT 4 Jun 93

[Text] Seoul, June 4 (YONHAP)—Former opposition leader Kim Tae-chung said Thursday that President Kim

Yong-sam was making an effort to do his best in his reforms and was productive in some areas, opposition sources said Friday. It was too early to make a comprehensive judgement on Kim after 100 days in office, the sources in the Democratic Party quoted Kim as saying in a meeting with some Korean journalists in London.

Kim has been in Britain since January for research and study after retiring from politics on losing the presidential election. "There have been voices calling for the need to check President Kim's one-man run and I believe the opposition (Democratic) party will do well, well (to satisfy the need)," the sources said the reports quoted Kim as saying.

He said he would not get involved in politics on returning home, noting that his retirement gave his supporters pride and led his opponents to think well of him. Kim said he was inclined to set up a research insitute to concentrate on unification. Kim would leave Cambridge on June 24 to travel around Britain before returning to Seoul in early July, the sources said.

Dissident Groups Undergo 'Directional Change' SK0406103593 Seoul YONHAP in English 0807 GMT 4 Jun 93

[By Yi Tong-min]

[Text] Seoul, June 4 (YONHAP)—Dissident and student movements are undergoing a major change under President Kim Yong- sam's administration where the struggle is no longer against military rulers and where the priority is no longer democracy. Kim, Korea's first civilian leader in more than three decades, confidently maximizes on the fact that his government has full legitimacy after a series of military-bred predecessors who were descendants of coup regimes.

His government has won popular support for reforms that began at the top and included the president himself. Dissidents can no longer fire on an anti-democratic government as such traditional methods will not win public support, and this directional change was notably reflected in March at a meeting of the National Alliance for Democracy and Unification.

Dissident groups have been based on anti-government views from the 1960s, but the alliance acknowledged Kim's legitimacy and declared that it would no longer try to overthrow the government. Instead, the alliance vowed, it would coexist with the government while keeping a close watch on it.

It went even further, saying it would actually cooperate with the government if it was sincere in its reforms, signaling that it was willing to become "partners" with Kim's administration. U Sang-ho, deputy alliance spokesman, emphasizes that the dissident group will outgrow street demonstrations and try to use dialogue because it recognizes the legitimacy of this government.

Another change is the partnership among dissident and civic groups. Kyongshilyon, the Citizen's Coalition for

Economic Justice, has emerged as the alliance's new partner. The two groups staged a joint rally in April demanding investigation into what they called the less-than-honest disclosure of personal assets by government officials and lawmakers and demanding an early start to the real-name financial system.

They joined hands again last month, when more than 300 dissidents gathered to launch the people's committee to commemorate the civilian struggle for democracy. The visibility of high-profile dissident figures in the political circle is another sign of change.

Kim Chong-nam was named senior presidential secretary for social and cultural affairs, and Son Hak-kyu won the by-election in Kwangmyong, Kyonggi Province, on the ruling Democratic Liberal Party ticket. Kim and Son are among some 20 dissident figures who are politically active in the new administration.

The government has taken its own initiatives to win over the dissident groups. Arrest warrants were allowed to expire, student activists were released in amnesties, and a majority of students who were expelled from 1988 for instigating demonstrations were reinstated by their universities.

Labor Day celebrations, annually disapproved by the government and blocked by the police, were allowed for the first time in 35 years. Dissident figures are openly appearing on television, finding eager audience at talk shows and personally spotlighted programs.

Changes in the student movement were reflected in the birth of a new organization. Chondaehyop, a pannational collegian group launched in 1987 at the end of the Fifth Republic, has renamed itself Hanchongnyon, or the Korean Federation of University Student Councils.

While adopting goals like solving job shortages and getting schools to recognize student evaluation of professors and courses, Hanchongnyon declared at its May 28 inauguration that it would try its best to get government approval for all of its outdoor rallies. The most serious challenge by students came May 31, when a Hanchongnyon rally in Seoul ended in a violent confrontation with the police, with volleys of rocks, tear gas and steel pipes flying for the first time under the new government.

The next day the police raided campuses, confiscated hundreds of firebombs and steel pipes and rounded up suspected instigators. President Kim, in a press conference, denounced the violence Thursday [3 June] and said he would not allow any action undermining law and order. But the signs of hope are still there. Hanchongnyon, acknowledging the unkind public review of the demonstration, issued an apology for the violence.

Justice Ministry To Expatriate Illegal Workers SK0406020193 Seoul THE KOREA HERALD in English 4 Jun 93 p 3

[Text] About 20,000 illegal foreign workers employed by manufacturing companies will be expatriated in four stages by Dec. 15 this year, said the Justice Ministry yesterday. The government has decided on this method because a sudden mass exodus of them would worsen the labor shortage at small firms, said Kim Nam-il, a ministry official.

The first 20 percent will be sent home in September, another 20 percent in October, 30 percent in November and the remaining 30 percent in December, Kim said. Illegal foreign workers have been considered helpful for the economy in Korea because most of them are currently hired by companies working the 'Three D's'—difficult, dirty, dangerous work.

Despite such considerable contributions, however, they have caused a great deal of instability in Korean society by engaging in altercations and organized crime rings, Kim argued. The official said if the deportation plan is carried out as scheduled, the number of illegal aliens here will be reduced to less than 43,000, most of them employed by the service industry. They will also face forced deportations in the following crackdown.

Currently, Chinese of Korean descent are said to total 3,000 out of 20,000 illegal foreigners in the Three D's industry. Kim said the number of illegal aliens has dropped sharply from 70,000 last year, thanks to the ministry's intensive crackdown.

The ministry plans to mobilize a 204-member inspection team from 1994 in order to execute a harsher crackdown on illegal foreign workers, Kim noted. Illegal aliens would be deported by force on being caught by the inspectors and their employers will be arrested and face fines or prison terms, according to the official.

The government has extended the visas of illegal foreign workers several times in the past at the request of small company owners, who feared bankruptcy without foreign workers. But the Justice Ministry has decided to take the drastic measures against the illegal aliens after consultations with concerned ministries, Kim said. The Three D's industry is now encouraged to devise their own survival tactics from now on like factory automation, the official said.

Foreign Minister Views New Diplomatic Policy SK2905045293 Seoul TONG-A ILBO in Korean 27 May 93 p 5

[Article by ROK Foreign Minister Han Sung-chu, from the "New Morning, New Horizon" column: "New Diplomatic Policy at Great Turning Point"]

[Text] Reviewing the president's speech on new diplomacy, questions may arise on the following three points: First, why do we now need a new diplomacy? Second, what is new diplomacy? Third, how will new diplomacy actually be reflected in foreign policy?

New diplomacy is necessary for us at this point because our diplomatic conditions at home and abroad are facing a basic change. Looking overseas, we can see that the international situation is at a turning point which comes only after scores of years. The international situation we are facing today in the aftermath of the Cold War can be described as the next great turning point after the French Revolution at the end of the 18th Century, the wind of openness which swept over East Asian countries in late 19th Century, and the great reform that took place in the international order during World Wars I and II. Faced with this epochal turn, each nation is making every possible effort to analyze the circumstances and the order of the new era precisely and to work out policies and strategies in a bid to respond to the new situation. This is the true reality of today.

New Wine Should Be Put Into New Bottles

Contemporary ROK diplomacy was launched at a time when national survival was the major goal throughout national liberation and the Korean War. Our diplomatic line developed amid restrictions caused by competition between the North and the South, and it could not afford to seek any other merit. Although our diplomacy should attach importance to security issues and North-South problems, it should no longer be enslaved by issues of survival and division. New wine should be put into new bottles. New diplomacy is necessary.

Second, as regards the definition of new diplomacy, we can summarize the direction of new diplomacy, which the President described in his speech, into the following five categories. They are internationalization, a futuristic stance, regional cooperation, diversification, and multilateral diplomacy.

Pursuing internationalization in diplomacy is intended to direct more interest to the common values of mankind, like democracy, freedom, social welfare, and human rights, by assuming such values as important traits of morality. Diplomacy based on morality and values is not always ideal. However, for the sake of our own interests and security, we should strengthen ties with nations who respect such value and should contribute to expanding such value to international communities. It is now time that our diplomacy actively contribute to resolving worldwide problems like international peace, arms control, eradication of poverty, environment protection and utilization of natural resources. In other words, we should actively contribute to the making of a just and affluent world.

Future-oriented diplomacy consists of reunification diplomacy focused on the management of our present divided situation, reunification, and post-reunification. Our diplomacy of managing our situation of division includes informing our neighboring states and the international community of our position and policy stressing the need for North Korea to change and open up, and to elicit their sympathy and cooperation. Basically solving North Korea's nuclear issue, which is the impending, urgent security issue of the moment, and the issues of North Korea's change and openness will mean the consolidation of peace on the Korean peninsula. Our reunification diplomacy hopes to assuage the uneasiness and

suspicions of the international community and neighboring countries in particular, over a reunified Korea.

We should help them help convert the division on the Korean peninsula into reunification. The foreign policy centers on preparing for the post-reunification era with diplomacy so that the process from division to reunification will be smooth, without excessive shock. To this end, we should show initiative in forming an Asia-Pacific order, including North Korea, so as to reduce the scope and duration of possible political and economic difficulties after reunification and to secure assistance from the international community in time of need.

The diplomacy of regional cooperation means pursuing Asia-Pacific security and economic cooperation while envisaging that the 21st century will be the era of the Pacific Rim countries. We should pursue a broad-sphere Pacific economic system with the Asia-Pacific Economic Cooperation (APEC) at its core and make efforts to see that the economic cooperation sphere of the Asia-Pacific region materializes. For the purpose of security, we should intensify the ROK-U.S. alliance and at the same time pursue multilateral security dialogue and cooperation with the countries in Asia-Pacific region and Northeast Asia.

The pluralism-oriented foreign policy means that we depart from the foreign policy of attaching excessive importance to security, with its accompanying excessive economic burden, and attach importance to economic diplomacy and environmental culture while giving due importance to security. When I say that our foreign policy should attach importance to diversified cooperation, I mean that we should expand our diplomacy to the four powers surrounding the Korean peninsula, as well as to ASEAN, the EC, Central and South america, the Middle East, and Africa, without impairing our relations with our existing allies.

Third, how the new diplomacy will be reflected in our foreign policy will be revealed more clearly in specific policies and their implementation. The new diplomacy, however, is already being implemented in our participation in the peace-keeping operations (PKO), our assistance in the economic development of developing countries, and our active participation in disarmament meetings, environmental meetings, and human rights meetings. One noteworthy aspect here is the correlation between the new diplomacy and our society's internationalization. The new diplomacy is extended to the world at large. Therefore, the larger the gap between our society's awareness of international issues, such as political, economic, trade, and environmental issues, and the international trend, the heavier the burden of the new diplomacy will be. Our new diplomacy can prove effective only when it has consensus from the people. Therefore, our Foreign Ministry wishes to keep the people informed of much of what it will be doing. This procedure and effort will contribute to the internationalization of our society.

The new diplomacy is important in that it marks a turning point in the history of our foreign policy with our resolve to overcome various restrictive factors, such as the struggle for survival and North-South competition, which have continued burdening our foreign policy since liberation in 1945. With the people's support, the new diplomacy will form the basis of our foreign policy until reunification and much of it will continue to do so after reunification as well.

Audit Board Examines Military Officials' Accounts SK0406005703 Second YONHAP in English 0001 GM

SK0406095793 Seoul YONHAP in English 0901 GMT 4 Jun 93

[Text] Seoul, June 4 (YONHAP)—The Board of Audit and Inspection's [BAI] probe of the military modernization scheme, known as the "Yulgok project," is said to have found traces of money with questionable origins in bank accounts held by some former high-ranking military figures who were involved in purchases of foreign weaponry. The BAI examined bank accounts held by 13 to 14 former ranking officials, including two ex-ministers, one of them former defense minister identified only by his surname Yi, a former senior presidential secretary for foreign and security affairs, and former chiefs of staff of the armed services.

BAI sources said the examination resulted in the discovery of traces of suspected graft in accounts held by some of them. A high-ranking BAI official, speaking on condition of anonymity, said on Friday that the Board thought that the money may have been commissions or bribes from arms dealers trying to influence the process of selecting or buying weapons and it was trying to trace its origins.

The BAI had so far only looked into bank accounts held by the officials in their own names, and would next look for accounts owned under pseudonyms, where bribes or commissions were more likely to have been placed, he said. He divulged that some people had 10 accounts in their names. The Board was concentrating on their contacts with arms dealers and past deeds on the basis of materials presented by the Defense Security Command that contain a wide range and variety of things on the Yulgok program, the source said.

East Asia Surpasses U.S. in Receiving Exports SK0406024593 Seoul YONHAP in English 0141 GMT 4 Jun 93

[Text] Seoul, June 4 (YONHAP)—The group of East Asian developing countries pulled further ahead of the United States as South Korea's largest export market in January-April, according to statistics compiled by the Trade, Industry and Resources Ministry Friday. Exports to the nine nations that comprise the "newly-rising economic region"—Taiwan, Hong Kong, Singapore, Indonesia, Malaysia, the Philippines, China, Thailand and Vietnam—accounted for 30.4 percent of the nation's total exports in the four-month period, compared with 23 percent for the United States in second place.

The area bought 7.61 billion U.S. dollars of Korean goods, up 28.5 percent from a year earlier. For all of 1992, the zone took 25.9 percent of Korea's exports. The United States bought 5.76 billion dollars of Korean goods in the first four months, up 4.9 percent. In all of 1992, it took 23.6 percent of Korea's exports.

Exports to Japan hit 3.43 billion dollars, or 13.7 percent of the total, and exports to the European Community reached 2.65 billion dollars, or 10.6 percent. The region consumed 13.2 percent of total Korean exports in 1988, 14.7 percent in 1989, 16.6 percent in 1990, and 20.4 percent in 1991. And export volume has grown 25.5 percent annually since 1988, the ministry said. The rise was due to an ambitious economic development plan, sustained high economic growth, and increased direct Korean investment there, an industry source said.

Brunei, Malaysia & Singapore

Malaysia

Commonwealth Head Arrives, Views RSA Sanctions

MB0106152593 Johannesburg Radio South Africa Network in English 1100 GMT 1 Jun 93

[Text] The Commonwealth will consider lifting its trade and economic sanctions against South Africa if there is agreement soon on the establishment of a transitional executive council and the fixing of a date for democratic elections.

Speaking on his arrival in Malaysia after talks in South Africa with political leaders, Commonwealth Secretary General Emeka Anyaoku said the situation in South Africa was, as he put it, evolving very positively.

The Commonwealth, he said, would consider lifting sanctions if there were decisive progress in negotiations within the next two weeks.

Government Recognizes Africa's Eritrea

BK0306143093 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 3 Jun 93

[Text] Malaysia has recognized Eritrea, the world's newest country and Africa's 52d state, which became independent last Monday. The Foreign Ministry said Eritrea's entry into the community of sovereign and independent nations was a culmination of the long years of struggle for nationhood. It said in a statement that Malaysia looks forward to working together with Eritrea in promoting and enhancing mutually-beneficial relations. Eritrea gained its independence from Ethiopia after a unanimous yes vote in a UN-monitored referendum after 30 years of civil war.

Singapore

Ministry: Government To Help Burma Open Economy

BK3005090593 Singapore THE STRAITS TIMES in English 29 May 93 p 3

[Text] Singapore will help Myanmar [Burma] to open up its economy and work towards a representative government, the Foreign Ministry said yesterday. It said in a statement that Singapore hoped that economic development would enable Myanmar to make orderly progress towards an open government and economy. This would enable Myanmar to rejoin the regional community and thereby contribute to stability, it said.

The statement, which was issued at the end of the visit by a 22-member Myanmar ministerial delegation, added: "To this end, Singapore is ready to help Myanmar open up its economy and move back to normalcy and eventually evolve, like Indonesia and Thailand have, into representative constitutional governments."

The Myanmar mission, led by Lieutenant General Khin Nyunt, first secretary of the ruling State Law and Order Restoration Council, met Prime Minister Goh Chok Tong, Senior Minister Lee Kuan Yew, Deputy Prime Minister Brigadier General (Reserve) Lee Hsien Loong and other cabinet ministers during their five-day stay here. Among the places they visited were the Economic Development Board, Trade Development Board, the Housing Board, and the Port of Singapore Authority.

The Foreign Ministry said the Myanmar delegation was in Singapore to promote bilateral economic cooperation. It noted that Myanmar was taking new initiatives to stimulate its economy by amending the rules which had hindered trade, investment, and tourism.

The Myanmar leadership wanted to encourage businessmen to invest in the country, the statement added. "Singapore leaders have discussed these ideas with Lt. Gen. Khin Nyunt and his delegation. In their meetings, Singapore leaders explained that political stability and openness as well as a conducive economic environment are imperative for stimulating external trade, foreign investments, and tourism."

The military government in Yangon [Rangoon] has been criticised internationally for its violation of human rights and refusal to transfer power over to civilians. It rejected the result of the general election, which was decisively won by the National League of Democracy in 1990. In the past two years, the regime had taken steps to break out of its diplomatic isolation and liberalise what had hitherto been a closed economy.

Cambodia

VGNUFC Reports Demonstration Criticizes UNTAC

BK3005024893 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 29 May 93

[Summary from poor reception] On 28 May, there was a demonstration by over 500 (?armed people) coming from villages and communes in the Samlot and Sok Sann areas, and Phnum Kravanh District [Pursat Province]. The demonstrators gathered in front of UNTAC [UN Transitional Authority in Cambodia] office (?in Sok Sann).

The demonstrators held banners, shouted opposition to, and rejected the UNTAC election. The following shouts were heard:

"Categorically oppose UNTAC election; categorically reject UNTAC election result; what UNTAC is doing is killing the Cambodian nation and people and allowing Vietnam to annex Cambodia; UNTAC is useless, it has

come to side with Vietnam and intimidate Cambodians; UNTAC, get out of Cambodia quick; support and demand the implementation of the national reconciliation plan of Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council; Only this way can the issue of Vietnam's aggression against Cambodia be resolved."

After the demonstration, a people's representative read a petition criticizing UNTAC, reiterating that the UNTAC election will not bring peace to Cambodia, and calling for implementation of Sihanouk's national reconciliation plan.

Banteay Meanchey CPP Candidate Views Election

BK2905021193 Bangkok BANGKOK POST in English 29 May 93 p 7

[Text] Poipet, Banteay Meanchey—The Cambodian People's Party (CPP) will win 60 per cent of the votes and capture three out of five seats in this northwestern province, according to the province's former governor.

Yit Loeu, who is the CPP's second ranking candidate in Banteay Meanchey, said yesterday that the remaining votes would go to the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] of Prince Norodom Ranariddh and the Liberal Democratic Party of Gen Sak Sutsakarn. He was speaking to reporters on the last day of nation-wide polling which, in this area, passed without incident.

He said Khmer Rouge civilians had gone to the polls in Poipet and some reportedly cast their ballots yesterday. The Khmer Rouge voters were originally from camps in Thailand.

Mr Yit Loeu said Phnom Penh had ordered local detachments of the Cambodian People's Armed Forces (CPAF) to be on full alert. He described it as a defensive measure, noting that an attack in Siem Reap on May 27 had left one Bangladeshi soldier wounded. Soldiers of the CPAF have reached an arrangement with local non-communist groups to close ranks in the event of a Khmer Rouge attack, he said.

Yit Loeu said he expected the guerrillas to instigate some military activity in the post-election period. But he believed the onset of rain would prevent any large-scale campaign.

All sides, including FUNCINPEC and non-communist groups, prepared their forces during the May 23-28 election period, he said.

Yit Loeu said he was "not surprised" that the Khmer Rouge had not seriously disrupted the elections. The Khmer Rouge was under international pressure, did not enjoy the support of Prince Norodom Sihanouk and had been unable to stop its people from going to the polls. Yit Loeu supported widespread views that no single party would win an absolute majority in the elections and that a coalition government would be the most likely outcome.

Asked if he would invite the Khmer Rouge to take part in government, he said the rebels would probably not play politics but rather stick to military action. He pointed out that the Khmer Rouge had made clear they would not accept the results of the elections.

Tie Banh Discusses Situation, Polls 29 May

BK0206050793 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 1 Jun 93

[Text] His Excellency [H.E.] General Tie Banh, defense minister of the State of Cambodia, granted an interview in a cordial and joyous atmosphere to Miss (Orawan Klinwiratkun), a correspondent of the Thai Television Channel 9 from Bangkok, at the Defense Ministry's Foreign Military Relations Department on the afternoon of 29 May.

Answering Miss (Orawan)'s questions concerning the Cambodian problem, particularly the elections which ended on 28 May, H.E. Gen. Tie Banh clearly pointed out the (?results) and security in the process of the elections, which just ended successfully. The general also appraised the will and courage of our people, who want peace and thus went out to vote in large numbers throughout the country.

At the same time, H.E. Gen. Tie Banh stressed the efforts made by UNTAC [UN Transitional Authority in Cambodia] and the cooperation given to the UNTAC forces in the defense work by the Cambodian People's Armed Forces. This enabled the elections to proceed with safety, neutrality, fairness, and correctness and in a democratic atmosphere for our people to elect a new constituent assembly in Cambodia. This will bring about peace and prevent the return of the genocidal regime that the Khmer Rouge rebels have been trying to bring about.

H.E. Gen. Tie Banh said with confidence that the outcome of the elections would be in line with the spirit and desire of the Cambodian people by taking into consideration the life-or-death problem of the nation and people. In the past 14 years after the genocidal Pol Pot regime was toppled and the nation was liberated, the peaceful life of the Cambodian people has progressed gradually. Thus, the outcome of that election would certainly be the most appropriate and fair response to the future of Cambodia.

Sihanouk Discusses Assembly Voting on Constitution

BK0106032193 Singapore BUSINESS TIMES in English 29-30 May 93 p 3

[Text] PHNOM PENH—If a two-thirds majority in the Constituent Assembly needed to pass a new Cambodian

constitition cannot be achieved, Prince Norodom Sihanouk has proposed that a simple majority should be accepted.

Sources close to the palace said Prince Sihanouk had this week told Yasushi Akashi, the chief of the United Nations Transitional Authority in Cambodia (Untac), that no party will win a two-thirds majority in the 120-seat constituent assembly. Prince Sihanouk then asked for Untac's backing to waive the two-thirds requirement.

One of the first tasks of the new assembly will be to draft and enact a new liberal-democratic Constitution. A meeting of the Supreme National Council today was originally expected to debate the finer points of a new constitution such as defining the powers of the president. But that had been dropped from the agenda.

Sources said that Prince Sihanouk felt this matter was best left to the assembly to discuss.

Thai Ambassador Sees No Sign of Future Unrest BK3105092193 Bangkok SIAM RAT in Thai

31 May 93 p 16

[Text] Sunai Bunyasiriphan, Thai ambassador to Cambodia, said he firmly believed that the situation in Cambodia after the general election would be as normal as that during the poll and he could not see any sign of future unrest.

During an interview on 30 May, Sunai noted that it depended on the new government's policy toward the Khmer Rouge—whether the latter will be allowed to participate in the peace process or face armed suppression. If the Khmer Rouge felt that the election was a fair and free one, they might to turn to support the new administration.

The ambassador disclosed that the general situation in Phnom Phen during the election was much more orderly than the past period. A large number of foreign reporters in the capital of Cambodia reported from different perspectives. In particular, reporters from the west tend to have a bias against the Khmer Rouge due to the latter's refusal to take part in the poll and past record.

He said: "They sometimes painted horrible pictures of the Khmer Rouge. By so doing, they have attached excessive importance to the Khmer Rouge instead of impairing its image."

Sunai said that Cambodia would not be plunged into fighting again after the withdrawal of the UN Transitional Authority in Cambodia (UNTAC). The Cambodian people will probably be able to help each other rebuild their country because they have Prince Norodom Sihanouk, chairman of the Supreme National Council, as the center of national unity. However, the prince has not yet played any active role at this moment pending the realization of UNTAC's peace plan. However, he will do so after the election.

'Appeal' for Support of Reconciliation Plan

BK0406024293 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 3 Jun 93

["Appeal" by a group of residents, soldiers, and policemen in Phnom Penh—dated 2 June; read by announcer]

[Text] Dear compatriots soldiers, policemen, and civil servants of the Phnom Penh regime:

- I. Our nation and people have been controlled and stripped by the Yuon [derogatory term for Vietnamese] and their puppets for more than 14 years. You, yourselves, have already seen and have already been subjected to the aggression by the Yuon and the Yuon puppets.
- II. At this point in time, samdech euv [prince father] has put forth a plan to put an end to the Yuon war of invasion and achieve national reconciliation for our nation and people.
- III. Nonetheless, the Yuon aggressors and their puppets have continued to stubbornly preserve the exclusive and despotic power of the Communist Party of Vietnam and the Yuon puppets both on and off of the podium of the UNTAC-organized elections as they have done for the past more than 14 years.
- IV. This is why the communist Yuon and their puppets have continued to conduct all manner of maneuvers in order to keep up the strategic objective. This is the reason why the Yuon aggressors and their puppets:
- A. Have strived to maintain and build up all kinds of forces in Cambodia, especially the nearly 3 million Yuon aggressor forces;
- B. Have strived to incite compatriots to continue war and kill the people at will. They have forced compatriots to serve their war of aggression and die and to constantly attack the resistance forces.
- C. Have not paid the compatriots, leaving you and your families to suffer and die one after the other. As the riel banknotes are no longer worthy and the prices of goods are skyrocketing, you are certainly at death's door. The compatriots who are sleeping directly on the ground and expose themselves to the rain on the battlefield are permanently attacked by malaria. As for the Yuon aggressors and puppet leaders, they are enjoying a lavish life; conducting a campaign of infighting to wrest power and plots of land; and robbing the people of all their property.
- D. In the recent UNTAC-organized elections, it is said that although FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] wins in the polls, the Yuon aggressors and the Yuon puppets are against the poll results and are attacking the people, the FUNCINPEC Party, and

UNTAC with the millions of Yuon in Cambodia in order to continue to preserve the exclusive and despotic power of the Yuon and puppets. They are opposed to the reconciliation and unification of our nation because they are the Yuon expansionist aggressors swallowing the Cambodian territory and eradicating the Cambodian race and because they are the Yuon lackeys.

E. It is time for all the compatriots to immediately cut loose from the Yuon aggressors and the Yuon puppet leaders and join samdech euv and those wanting to achieve national reconciliation in line with samdech euv's plan. You are called to join samdech euv and those wanting a four-party national reconciliation, a national reconciliation of all our nation and people regardless of their past. This is to provide Cambodia with a national force to liberate the nation from the Yuon aggressors and allow Cambodia to recover peace and unity and the entire people to earn a living in safety, thereby rebuilding the country toward prosperity.

[Dated] 2 June 1993 [Signed] 1.827 residents, soldiers

[Signed] 1,827 residents, soldiers, and policemen in Phnom Penh

Cabinet Chief, SOC Spokesman Hold News Conference

BK0306135693 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 3 Jun 93

[Text] Sok An, head of the Cabinet of the Cambodian People's Party [CPP], and Khieu Kanharit, spokesman of the Government of the State of Cambodia [SOC], held a press conference at the CPP's office on the evening of 3 June.

Sok An informed national and international journalists of the content of the CPP's communique on formation of the Cambodian National Government [CNG] with the following leadership:

- His Royal Highness [HRH] Prince Norodom Sihanouk is the head of state, prime minister, and supreme commander of the Cambodian National Armed Forces;
- 2. Prince Norodom Ranariddh is deputy prime minister;
- 3. His Excellency Hun Sen is deputy prime minister.

Sok An said that HRH Prince Norodom Sihanouk had given permission for this communique to be issued.

Khieu Kanharit elaborated to all national and international journalists that the formation of this CNG is not aimed at competing with the constituent assembly nor sidesteping the Paris agreements. It is mainly to ensure security and social order for a certain period of time.

Concerning the roles of the Supreme National Council [SNC] and UNTAC [UN Transitional Government in Cambodia] when this new government is formed, Khieu

Kanharit said the CNG as well as the SNC and UNTAC will still continue their mandate as stated in the Paris agreements.

Sihanouk Sends Message to Ranariddh 3 Jun

BK0406062593 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 4 Jun 93

["Message from His Royal Highness Prince Norodom Sihanouk of Cambodia to Prince Norodom Ranariddh, chairman of the FUNCINPEC Party and member of the Cambodian Supreme National Council"; issued in Phnom Penh dated 3 June—read by announcer]

[Text] Dear prince: I have the honor of informing you of the following:

- 1. I presented your written questions to the Cambodian People's Party [CPP] and the State of Cambodia [SOC] on the night of 3 June 1993. The CPP and SOC are able to give clear answers to those questions.
- 2. As for Prince Norodom Chakkrapong, he will not be included in the Sihanouk government.
- 3. The FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party this afternoon asked me, specifically the following question: As the SOC has already been dissolved, on what legal basis should the national government of Cambodia function?

As some Cambodians and UN officials have said that the formation of the national government of Cambodia headed by myself is the result of a constitutional coup, I have relinquished the idea of forming and leading the aforementioned national government of Cambodia. My only intention of forming the national government of Cambodia was to avoid the bloodletting of which His Excellency Hun Sen of the CPP and SOC informed me.

Abandoning the formation of the national government of Cambodia, I henceforth leave the CPP and SOC as well as FUNCINPEC to assume, on each side, all consequences leading to the bloodshed and tragedies that could happen to our hapless motherland and miserable people.

With highest regards.

[Dated] Phnom Penh, 3 June 1993 [Signed] Norodom Sihanouk

Sihanouk Announces 'Dropping His Bid' 4 Jun BK0406023939 Hong Kong AFP in English 0227 GMT 4 Jun 93

[Text] Phnom Penh, June 4 (AFP)—Prince Norodom Sihanouk announced Friday he was dropping his bid to become prime minister of a coalition government in Cambodia. The prince in a statement cited "major difficulties preventing me from achieving this."

In a separate message to his son, Prince Norodom Ranariddh, Sihanouk said he had been accused by "some Cambodians" and U.N. officials of launching "a constitutional coup" by announcing Thursday he was forming a coalition government linking the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party and the Phnom Penh regime.

Ranariddh heads FUNCINPEC.

More on 'Major Difficulties'

BK0406031193 Hong Kong AFP in English 0304 GMT 4 Jun 93

[Text] Phnom Penh, June 4 (AFP)—Cambodian leader Prince Norodom Sihanouk gave up Friday on a government he had set up less than 18 hours earlier, citing major difficulties and accusations of launching a "constitutional coup."

The prince announced Thursday he was forming a coalition government with himself as the prime minister and with the two leaders from the government and opposition party as his deputy premiers. "I am encountering major difficulties preventing me from achieving this," the prince said in a statement.

In a separate message to his would-be deputy premier and son Prince Norodom Ranariddh at the royalist FUNCINPEC party, Sihanouk said the difficulties arose from accusations by "some Cambodians" and U.N. officials that his announcement amounted to a "constitutional coup."

"I leave henceforth the (government) and FUNCINPEC to assume, on each side, all responsibility for whatever bloody and tragic events that could happen to our unlucky country and unfortunate people," Sihanouk said. The renouncement left in question the status of the Phnom Penh government, which formally dissolved itself Thursday.

Message Apologizes for Backing Out

BK0406053593 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 4 Jun 93

["Message from His Royal Highness Prince Norodom Sihanouk of Cambodia to His Beloved Compatriots"; issued in Phnom Penh on 4 June—read by announcer]

[Text] Respected and beloved compatriots: I have the honor of informing you of the following:

With regard to the formation of a coalition national government of Cambodia, which I stated in my report to the compatriots yesterday—that is on 3 June 1993, I am now encountering major difficulties preventing me from achieving this.

The major difficulties hindering me from forming the coalition national government of Cambodia are

described in my letter sent to Prince Norodom Ranariddh, head of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party, a few hours ago. A copy of the letter is enclosed here as information for the compatriots.

I would like to apologize to the compatriots for my backing down on the formation of the coalition national government of Cambodia.

Dear compatriots, please accept my deepest affectionate and respectful sentiments.

[Dated] Phnom Penh, 4 June 1993 [Signed] Norodom Sihanouk

Hor Namhong 'Optimistic' About Difficulties

BK0406040093 Hong Kong AFP in English 0353 GMT 4 Jun 93

[Excerpts] Phnom Penh, June 4 (AFP)—Cambodian leader Prince Norodom Sihanouk on Friday gave up on the new government he had formed less than 18 hours before, citing major difficulties and criticism that he had launched a "constitutional coup."

A senior official in the Phnom Penh government, whose legal status was in question after it dissolved itself Thursday, said the problems could be worked out and that the prince would likely change his mind again.

The prince had announced Thursday that he was forming a coalition government making him prime minister, and making the two leaders from the former communist government and the royalist opposition party FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] his deputy premiers.

"I am encountering major difficulties preventing me from achieving this," the prince said in a statement. [passage omitted]

A U.N. official who could not be identified said the difficulties resulted from Prince Ranariddh's refusal to accept the deal. "It looks like Ranariddh said no," the official said.

Prince Sihanouk had said in his announcement Thursday that his proposition had the full, unconditional support of his son. But the younger prince himself could not be reached, and was still in the northwest resistance zone he controls.

The Phnom Penh government official, Foreign Minister Hor Namhong, said he was optimistic that Prince Ranariddh would agree and allow the new government's formation. "There are some difficulties on the part of Prince Ranariddh, but I think these difficulties can be overcome," he said.

Prince Ranariddh was due in Phnom Penh on Saturday, his office here said.

Meanwhile, Prince Sihanouk has decided to cancel a meeting here of Cambodia's Supreme National Council (SNC), which had been planned for Saturday, his office said.

The prince is the head of the SNC, a reconciliation body formed with representatives of the country's rival factions.

Prince Ranariddh is an SNC member and it was to attend the planned Saturday meeting that he was expected to return here from a FUNCINPEC stronghold in northern Cambodia.

Officials in Prince Sihanouk's office said that he had cancelled the meeting because he was unwell.

SNC meetings are also attended by the head of the U.N. Transitional Authority in Cambodia (UNTAC), Yasushi Akashi, and other top UNTAC officials as well as foreign envoys based in the Cambodian capital.

Supreme National Council Cancels 5 Jun Meeting OW0406104393 Tokyo KYODO in English 1025 GMT 4 Jun 93

[Text] Phnom Penh, June 4 KYODO—The Supreme National Council (SNC), Cambodia's all-faction reconciliation body, has called off its meeting scheduled for Saturday [5 June], SNC sources said Friday.

The cancellation was due to SNC President Prince Norodom Sihanouk's poor health, the sources said. But diplomatic sources said the real reason appears to be confusion ensuing from Sihanouk's renouncement of an interim coalition government Friday morning, hours after it was announced overnight.

The interim government was to join the royalist FUNCINPEC party and the Phnom Penh government's Cambodian People's Party (CPP) after the royalists won a narrow victory in the May 23-28 election, organized by the United Nations.

The SNC meeting was to discuss issues on the political schedule after the poll that chose a constituent assembly. It has three months to write a state constitution and form a new government.

Earlier Friday, the Phnom Penh government's Prime Minister Hun Sen met with Yasushi Akashi, head of the U.N. Transitional Authority in Cambodia (UNTAC).

The two discussed items on the SNC agenda as well as the Sihanouk initiative and alleged election irregularities, an UNTAC spokesman said.

Khieu Kanharit: Nation 'Unpredictable Country' OW0406051493 Tokyo KYODO in English 0435 GMT 4 Jun 93

[By Masanori Kikuta]

[Text] Phnom Penh, June 4, KYODO—Cambodian Head of State Prince Norodom Sihanouk on Friday canceled the formation of an interim government of royalists and former communists he had announced the previous day. The former king said in a statement "big difficulties" prevented him from setting up the provisional government that was to comprise the royalist FUNCINPEC Party and the Hanoi-installed Phnom Penh government's Cambodian People's Party (CPP).

Sihanouk said in a separate statement addressed to his son Prince Norodom Ranariddh who heads FUNCINPEC that "certain" Cambodians and foreigners, including those of th nations, had criticized the coalition plan as a "constitutional coup."

FUNCINPEC, a French acronym for the National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia, has clinched a narrow victory over the CPP in the general election that was held last week.

The interim government was designed to avoid a "bloody conflict" which the CPP government of Prime Minister Hun Sen suggested was possible, Sihanouk said.

The CPP had threatened to reject the election, organized by the U.N. Transitional Authority in Cambodia (UNTAC), alleging irregularities in the polling and counting process.

Ranariddh, who did not publicly support the interim government, took issue with it for fear that his FUNCINPEC might play into the hands of the CPP despite its election victory, said sources at the Supreme National Council (SNC), a reconciliation body headed by Sihanouk.

Under the interim government, Sihanouk was to assume all powers as head of state, prime minister and supreme commander of the armed forces, with Ranariddh and Hun Sen as deputy prime ministers.

FUNCINPEC, founded by the former monarch, appears certain of winning 57 seats in a 120-member constituent assembly elected in the May 23-28 poll and the CPP 52 seats, according to unofficial estimates.

The assembly will have three months to write a constitution, transform itself into a parliament and then form a democratic government.

The main purpose of the interim government was to smooth the way for a transition of power and ensure public order, according to a Phnom Penh government spokesman.

"This is Cambodia," spokesman Khieu Kanharit said Thursday in announcing the interim government. "It is an unpredictable country." Rumors have swept the capital that government troops, underpaid and facing an uncertain future, may join CPP hard-liners to bar FUNCINPEC from taking over the reins of power.

The Ranariddh faction allied with the communist Khmer Rouge faction, which boycotted the election, in 13 years of civil war against the Phnom Penh government.

Japanese Envoy Backs Continued Dialogue With KR

OW2805140493 Tokyo KYODO in English 1320 GMT 28 May 93

[Excerpt] Phnom Penh, May 28 KYODO—A new Cambodian government to be formed following the general election should maintain a dialogue with the defiant Khmer Rouge [KR], the Japanese ambassador to Cambodia said Friday [28 May].

Yukio Imagawa told KYODO NEWS SERVICE there is no chance of one party winning a great majority in the election and thus the role of head of state Prince Norodom Sihanouk will increase. Sihanouk, also the chairman of the Supreme National Council (SNC) comprising the country's four rival factions, is the only person who can hold the Cambodian people together in this situation, Imagawa said.

Imagawa said Cambodia would have to pay a tremendous bill in the future if it leaves out the Khmer Rouge.

"It is difficult to suppress the faction by force. It is more realistic to take time to resolve the problems with the group," he added. [passage omitted]

VGNUFC Reports Revolt in Battambang District

BK2905072793 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 28 May 93

[Excerpt] Reports from Moung District in Battambang Province say that from 14 to 20 May, about 200 people, militiamen, and Cambodian soldiers revolted, attacked, and destroyed the puppet authority in many villages and communes around Moung District in Battambang Province.

The reports say that people and militiamen cooperated well with the Cambodian soldiers and smashed the puppet authority in Prek Bak Sna, Kbal Tao, Prek Chik, Prek Svay, and Kakaoh, and [words indistinct] and scattering officials of the authority of Vietnam and its puppets. In these attacks, our compatriots killed eight Vietnamese authority officials and arrested a number of puppet civil servants. The latter were warned to stop serving the Vietnamese aggressors. [passage omitted]

VGNUFC Claims 30 Vietnamese 'Spies' Sent to Kampot

BK2905031693 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 28 May 93

[Text] Reports from Kampot say that on 22 May the Hanoi Vietnamese sent 30 aggressor elements by boat from Kaoh Tral Island in Vietnam to a forest north of Prek Ampil village in Kaoh Toch Commune in Kampot District. The reports say that these 30 Vietnamese aggressor elements are spies, all armed with pistols. Their task is to collect information, search for major places of the resistance forces, and report to their troops in order to launch attacks.

On this issue of Vietnam sending aggressor forces to Cambodia, UNTAC [UN Transitional Authority in Cambodia] does not dare utter a word, not one word. Earlier, the Hanoi Vietnamese dispatched two divisions of troops to Kampot and T. keo Provinces. UNTAC said nothing. [passage omitted]

VGNUFC Reports 'Brutal' Attack on FUNCINPEC Office

BK3105023293 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 30 May 93

[Excerpt] Sources among the people in Battambang say that on 27 May, a group of henchmen of the Vietnamese aggressors and Vietnam's puppets attacked the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] office in Battambang.

The people say these henchmen of Vietnam and Vietnam's puppets opened fire and lobbed grenades on the FUNCINPEC office in Battambang and then fled. Regarding this brutal act by Vietnam and puppets on the FUNCINPEC Party, UNTAC [UN Transitional Authority in Cambodia] has not done anything at all. [passage omitted]

PDK Denies Ambushing UNTAC Car in Kompong Cham

BK0206023193 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 1 Jun 93

["Rejection" by the spokesman of the Party of Democratic Kampuchea—read by announcer]

[Text] 1. Foreign radios reported that the spokesman of UNTAC [UN Transitional Authority in Cambodia] accused the National Army of Democratic Kampuchea of ambushing an UNTAC car in Kompong Cham Province, killing an Uruguyan and wounding two other UNTAC personnal.

- 2. The spokesman of the Party of Democratic Kampuchea [PDK] categorically rejects this politically illintentioned UNTAC accusation.
- 3. Everyone knows well that Vietnam is still invading and occupying Cambodia with Vietnamese aggressor forces and nationals totaling nearly 3 million. Thus, Vietnam is the one which rules the roost in its temporarily controlled zone.
- 4. UNTAC has not resolved the problem of Vietnamese aggression against Cambodia in line with the Paris agreement nor ended the Vietnamese war of aggression to enable Cambodia to regain peace, independence, and sovereignty with territorial integrity and quadripartite Cambodian national reconciliation. On the contrary, UNTAC has sought for ways to accuse Democratic Kampuchea in its and its allies' attempt to smash Democratic Kampuchea.

The Cambodian nation and people and the peace- and justice-loving countries have seen and learned who are bad and who are good. They know that it is not Democratic Kampuchea, but the Vietnamese aggressors and their puppet-lackeys who are the warmongers. The allies inside and outside UNTAC are the ones who have rekindled the flames of the aggressive war of the Vietnamese aggressors and their puppet-lackeys, thus further threatening peace and stability in this region, violated the Paris agreement, and arranged the election farce to legalize and enable Vietnam to carry on its aggression and occupation of Cambodia and to kill Cambodian nation and people.

Therefore, the Vietnamese aggressors, Vietnamese puppet-lackeys, and UNTAC are the ones to be held responsible for all consequences that have arisen and will further arise from their evil policy and deeds in violation of the Paris agreement, arranging the elections to kill Cambodian nation and people and to enable Vietnam to annex Cambodia into its Indochinese Federation.

[Dated] 1 (?June) [Signed] The PDK spokesman

PDK Denies Attacking Vietnamese Nationals

BK0406010093 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 3 Jun 93

["Rejection" by the Spokesman of the Party of Democratic Kampuchea—place not given; dated 3 June; read by announcer]

[Text] 1. Some foreign radios have broadcast that UNTAC [UN Transitional Authority in Cambodia] staff members implied that the National Army of Democratic Kampuchea [NADK] had attacked Yuon [derogatory term for Vietnamese] nationals in Kompong Som.

- 2. The spokesman of the Party of Democratic Kampuchea [PDK] categorically rejects the attempted accusation made with the darkest political intention.
- 3. The Cambodian nation and people as well as the peace-and justice-loving the world over have already distinguished those who are good from those who are bad. The good group is the Cambodian nation and people, the Cambodian national resistance forces, and Democratic Kampuchea, which have struggled to correctly implement the Paris accords with a view to restoring peace, independence, sovereignty, and territorial integrity to Cambodia and achieving national reconciliation. The bad group is the Yuon aggressors, the Yuon puppets, UNTAC, and the alliances in and outside UNTAC, which have trampled upon the Paris accords, preserved and allowed the old Yuon to occupy Cambodia, and let nearly 3 million new Yuon flow in with the aim of swallowing the country.

The issue of continued Yuon military invasion of Cambodia and the issue of continued influx of Yuon nationals into Cambodia in an attempt to swallow the country and eradicate the Cambodian race are the real danger constantly threatening the survival of every Cambodian and also a danger menacing the survival of the entire nation and people.

Come what may, the Cambodian nation and people will never let the Yuon aggressors and the unscrupulous groups do away with the Cambodian nation and people at will.

[Dated] 3 June 1993 [Signed] PDK spokesman

Hun Sen Receives EC Parliamentary Delegation

BK2905093093 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 28 May 93

[Text] Prime Minister Hun Sen granted an audience to a delegation of the EC Parliament led by Claude Cheysson, a former French foreign minister, in Phnom Penh on 25 May. At the meeting H.E. Hun Sen and Claude Cheysson talked and exchanged views on the situation concerning the elections and the tasks of UNTAC [UN Transitional Authority in Cambodia] after the polls.

Considering the election process a historic event in Cambodia, Claude Cheysson said the balloting would be successful. He added that the fact that the Cambodian people were pleased to participate in the elections was testimony to the nobility and glory of the Cambodian people, who fulfilled their duties with a view to rehabilitating Cambodia's future. Clause Cheysson also said the elections were a good sign for the future of Cambodia.

Hun Sen, IPU Representatives Discuss Elections

BK2905102093 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 28 May 93

[Text] On the morning of 28 May at the office of the Council of Ministers, His Excellency [H.E.] Hun Sen, chairman of the Council of Ministers of the State of Cambodia [SOC], held talks with a delegation from the Interparliamentary Union [IPU]—led by Andrew Peacock, former Australian prime minister—which was on a mission to observe the elections held by UNTAC [UN Transitional Authority in Cambodia] in Cambodia between 23 and 28 May.

The union has 124 member-countries, is headquartered in Switzerland, and has cooperated closely with the United Nations.

At the meeting, H.E. Hun Sen expressed his pleasure with the new round of talks with the delegation in order to exchange information and observations on the election process from the beginning to the end. H.E. Hun Sen thanked the delegation for its presence and efforts in the poll process, which has been proceeding successfully. He added that the political aspect of the election process has been encouraging and attention should be paid to the counting of votes by UNTAC officials.

Andrew Peacock told H.E. Hun Sen that the union delegation that has participated in the process of the elections has noted that the polls have been conducted freely and fairly and the Cambodian people have also shown their determination in accordance with democratic principles.

Indonesia

Alatas Views U.S-Allied Action Program for Bosnia

BK0306162293 Jakarta THE JAKARTA POST in English 27 May 93 p 2

[Excerpt] Jakarta (JP)—Minister of Foreign Affairs Ali Alatas says the latest joint action program on Bosnia forged by the United States and its allies has set back efforts to resolve the crisis in the former Yugoslavia. "I see this as a setback in the peace efforts, since the idea is based on accepting the seizing of areas," he said yesterday.

"There just hasn't been any concrete result in the various efforts for obtaining peace." He was commenting on Washington's proposal that the allies contain the Bosnian war, while limiting any U.S. involvement in the efforts.

The United States, Russia, Britain, France and Spain announced the new joint program to contain the 13-month war in Bosnia and promote peace efforts over the weekend. The strategy effectively rules out for now any military action against the Bosnian Serbs who have taken

control of 70 percent of the republic, or the lifting of a United Nations arms embargo for Moslem Bosnians.

Alatas said the strategy virtually justified the Serbs seizure of areas with military force. The Bosnian Government also has rejected the new proposal and President Alija Izetbegovic has called on his people to use all available means to defend their republic. "I must admit that I have not received the official text of the proposal. I just read about it in the newspapers. So I had better wait for the reports from our representative office before I give comments which are more definitive," Alatas said.

Indonesia and the nonaligned countries have agreed to support the Organization of Islamic Conference (OIC) in their stance on the Bosnia crisis. The OIC has severely criticized the joint action program and called for urgent international efforts for a just, lasting, and equitable peace in Bosnia-Herzegovina and for all parties to respect the sovereignty, territorial integrity, and unity of that country. The OIC has also been pressing for stronger measures, including exempting Bosnia from the UN arms embargo.

Commenting on the Cambodian issue, Alatas said he was pleased to see that the election had run well. He expected that the UN would certify the polls as free and fair. The disputing parties are expected to accept the result of the election, otherwise "every effort will be useless," he said. [passage omitted]

'Appropriate' Cambodia Aid Program Viewed

BK0306032793 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 3 Jun 93

[Station commentary]

[Text] The Indonesian Government's statement on providing assistance to Cambodians in the consolidation process and the reconstruction of the country is appropriate and sympathetic.

First, Cambodia is a neighboring country in Southeast Asia. Second, Indonesia, alongside the other ASEAN countries, desires to see Southeast Asia as a peaceful and neutral region. Third, through a peaceful situation, the governments and peoples in this region are placing more importance on development until their peoples' well-being is increased. Fourth, such a desire is very much sought after by every government and peoples of other developing nations—particularly the governments which are affiliated with the Nonalignment Movement. Indonesia is currently is the movement's leader. Fifth, Indonesia is also the co-chairman of the International Confernce on Cambodia together with France.

In a press statement issued by the Foreign Ministry, it still remains uncertain with regard to the form of assistance to be extended to Cambodia. According to Professor Wijayamitisastro in February 1990, he stated that East Asian and Southeast Asian countries would experience rapid development compared with the other developing nations. He also stated that these countries would place greater stress on increasing exports—particularly industrial products. Countries will also stress taking firm measures in an effort to embark on economic sector reconstruction.

According to Professor Wijayamitisastro, such measures were not carried out by developing countries in Africa and Latin America. The Cambodian issue was not stated because the country had been impeded by a drawn-out civil war, which thwarted the process of economic reconstruction. Thus, efforts for the consolidation process should be undertaken during the postelection period. As such, Indonesia and its (?partners), with their own experiences, will provide assistance.

Undoubtedly, several dilemmas will unavoidably emerge in the process of consolidation. For example, there will be no suitable (?markets), which can flourish, because of the unsuitable market situation. There are opinions which state that bureaucracy is the cause of unsuitablity. In this aspect, there is a need for the modernization of bureaucracy. As such, bureaucractic moves should be carried out by manpower with the full ability and capablity to conduct activities which could not be conducted by the market mechanism. This also applies to the issue of investment, which needs the support of funds and the management of consumption. Such an issue should be the common issue to be mutually observed.

Indonesia has its own assistance program, which includes programs on family planning, rice supply, education, health and other forms of assistance. These should be extended to other developing nations.

NAM Meeting Lacks 'Clear Focus' on Cooperation

BK3005123593 Jakarta THE JAKARTA POST in English 17 May 93 p 4

[Editorial: "The Voice From Bali"]

[Text] The contents of the 47-page final document and three separate decisions produced by the three-day meeting of the Standing Ministerial Committee for Economic Cooperation of the Non-Aligned Movement (NAM) in Bali last week did not offer much in the way of technical details for South-South cooperation. Most of the statements only reaffirmed what was already stipulated in Chapter IV, on economic and social issues, of the Jakarta Message declared by the NAM summit meeting last September.

The outcome fell short of what we originally expected from the meeting at such a level. We actually expected at least clearly-designed blueprints of workable cooperation programs between the NAM members themselves in the top priority areas which the summit had clearly identified last September. But we don't see clearly-defined

programs of action, nor detailed project proposals and clearly-designed directions on how they would go about their cooperation programs.

Instead, the committee has set the movement into a seemingly endless series of future meetings by proposing the establishment of two ad hoc advisory groups of experts and the convening of a summit meeting on economic and social development and international cooperation, as well as another conference on development issues. The sheer process of forming and arranging the composition of the advisory groups and the uphill and very costly exercise of preparing for a summit meeting will have heavily taxed the scarce resources of NAM before it can even begin to embark on concrete cooperation projects of the greatest interest to the majority of its members.

In fact, the meeting seemed, at first glance, to lack a clear focus as it was determined from the outset to simultaneously address three key issues related to the revival of North-South communication, promotion of South-South cooperation and the restructuring the role of the United Nations. The three key issues are indeed interrelated with regard to their impact on the economic development of the developing countries of the South. But the meeting could have zeroed in on the top priority areas of South-South cooperation for immediate implementation so as to maintain the momentum for the promotion of collective self-reliance and to remove the perception that NAM is mainly a grandstand for talks.

Simply reaffirming in generalities such international economic issues as debts, trade and financial flows will not improve NAM's clout among the developed nations of the North. That kind of performance will not help NAM to get serious attention from the developed countries, especially now when the economic power nations are bogged down with their own economic problems and pressing crises in Europe and Russia.

We fully understand how difficult it is to devise workable cooperation projects for so diverse a range of countries, especially because any projects to be agreed upon will depend largely on funding from outside sources like the rich countries of the North. On the other hand, the several priority areas for South-South technical cooperation rightly chosen by NAM, such as population, health care, food and education, require further appraisal as they may overlap with the activities of specialist United Nations agencies, which are also financed largely by donations from the developed countries.

The best means of forging collective self reliance through South-South cooperation are actually economic and trade ties. The problem, though, is that the main players in such ties are in the private sector. But private businessmen, be they in the developing countries of the South or the rich ones of the North, are dictated to by economic rationale. At a time when the strongest and most feasible tendency is toward sub-regional and

regional economic integration through resource complementariness, it is obviously quite difficult to prod businessmen of the NAM countries which are spread out across the globe to forge tieups among themselves.

In light of this, the Bali meeting made a very important point by rightly recognizing the crucial contribution of sub-regional and regional economic groupings and institutions of the South for enhancing economic cooperation through the private sector. Only through business ties among the private sectors of the developing countries will South-South economic cooperation be sustainable.

ICRC Suspends Humanitarian Visits to Dili

BK3105112193 Melbourne Radio Australia in English 0800 GMT 31 May 93

[From the "International Report" program]

[Text] The human rights situation in East Timor is again under the spotlight following news that the International Committee of the Red Cross [ICRC] has suspended visits to prisoners in the disputed territory only two days after they were resumed. The Geneva-based humanitarian organization which has staff based in Dili says conditions set for such visits are not being met by Indonesian authorities. Ian Macintosh reports from Jakarta:

[Begin recording] [Macintosh] In carrying out its worldwide mandate of monitoring and protecting prisoners' rights, the ICRC has at various times found itself at odds with the Indonesian rulers of East Timor. Just over three weeks ago, at the conclusion of a visit to Jakarta and Dili, its president (Cornilio Someruga) voiced concern about the ICRC's past access to detainees in the disputed territory. But Mr. (Someruga) predicted the situation would improve as the Suharto administration had given him assurances about the criteria applied by the ICRC to prisoners' visits. Last Tuesday [25 May], several jailed East Timorese were visited, the first such call since January. But the head of the ICRC's delegation in Indonesia, (Pierpont), says it's suspended the program on Thursday morning and is now waiting for a clarification from the Indonesian government.

[(Peirpont)] When we take a decision like this, you have to realize this is a very difficult, complex, serious, heavy decision we have taken. And of course, if one of the conditions is not granted to the ICRC we can therefore not continue the visit. This is why we have suspended it.

[Macintosh] What are the specific obstacles at the moment? What are specifically not being met?

[(Pierpont)] That's something I will not go into details so that the exact reason why we have suspended but conditions, basic conditions, of ICRC work in terms of protection to prisoners is to, for instance, to interview the prisoners without witnesses, to have repeated access to them, to receive at least a complete list of all the

prisoners detained in different centers and to have access to all the prisoners and to all of the centers.

[Macintosh] It's not clear who is responsible for the problems encountered by the ICRC last week although its president earlier this month suggested such difficulties occurred when high-level government commitments were not reflected in Indonesia's lower ranking officials.

[(Pierpont)] I will put it like this. It is a problem which has occurred in East Timor and not in Jakarta.

[Macintosh] And how many detainees are affected by this suspension of visits?

[(Pierpont)] We don't know. I mean, too many detainees and this is also distressful. And accepting to some extent that we cannot carry out our protection work, our humanitarian work, in favor of these people and that we have been delayed once again. [end recording]

Banking Rules Eased To Expand Business Credits

BK2905121393 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 29 May 93

[Text] The government today took measures to increase banking credits to the business sector while maintaining economic stability. The measures were announced by Central Bank Governor Sudrajat Jiwandono at the Central Bank in Jakarta this afteroon. The governor was accompanied by Finance Minister Mar'ie Muhammad; Saleh Afiff, coordinating minister for economics, finance, and development supervision; and State Secretary Murdiono.

Governor Sudrajat Jiwandono told newsmen that the measures covered the improvement of several banking rules in order to increase credits while adhering to the principles of a sound credit system. In addition, they are also to encourage the banking sector to deal with troubled credits, expand credits for middle- and small-scale businesses, control the circulation of money, and ensure that banking credits remain within the safe limits indispensable for economic stability.

The new rules included the easing of the capital adequacy ratio [CAR], under which banks are now allowed to put 100 percent of the preceding year's profit into their capital component, compared with 50 percent under the previous rules. In addition, the government will also reduce the credit risk for state enterprises and unused credits to 50 percent from 100 percent. Sudrajat Jiwandono said the problem of troubled banking credits should be gradually settled to make the banking sector healthy. Measures are being taken to expand credits to middle- and small-scale businesses by channeling one to five percent of the profit of state enterprises to such institutions as the Indonesian People's Bank and P.T. [Private Limited] Bahana.

According to the Central Bank governor, other measures to be taken to support the current efforts will include

adjusting the issuance of SBI [Bank of Indonesia certificates] and money orders to enable these facilities to support real exports.

Philippines

Ramos Orders Finance Secretary To Pursue IMF Talks

HK0406031293 Manila BUSINESS WORLD in

English 4 Jun 93 pp 1, 5

[Report by Benjamin B. Cruz "with input" by Genevieve I. Soledad]

[Text] President Ramos yesterday appointed Finance Undersecretary Ernest Leung as acting finance secretary to replace Ramon R. del Rosario, who was rejected last Wednesday by the Commission on Appointments [CA]. Prior to his new assignment, Mr Leung was head of the Department of Finance's Domestic Finance Group.

Press Secretary Jesus Sison said the temporary capacity of Mr Leung in his new post will depend on how soon the President makes up his mind on appointing a permanent secretary. "(Mr) Leung should be acceptable to Congress leaders because he was trained for years (in his job)," he said.

Mr Sison said the first directive of the President to the acting secretary is to push for the resumption of negotiations with the International Monetary Fund (IMF) which have been put on hold indefinitely.

The removal of Mr del Rosario, co-chairman of the negotiating panel for the IMF talks, was one of the factors which triggered the postponement of the third round of IMF talks last month.

The main cause of the delay in the RP [Republic of the Philippines]-IMF talks, however, was what the country's economic managers called "the need to put our house in order first."

Mr Sison said the President asked Mr Leung to immediately secure an economic program from the IMF, which is a precondition for the holding of talks with the Paris Club member-nations and the third Philippine Assistance Program pledging session.

Optimistic

Trade and Industry Secretary Rizalino S. Navarro, who also sits as a member of the Monetary Board of the Central Bank, expressed optimism that Government will be able to implement the revenue enhancement measures required by the IMF.

"We will sit down with the IMF and I think that should be made very clear," said Mr Navarro, adding that the talks will likely take place in September.

Mr Navarro said the absence of Mr del Rosario from the Philippine negotiating panel will not derail the country's chances of getting a new IMF program.

"It will affect the negotiations only in terms of personality but the Government policies are the same," he said.

To help push for an IMF deal, the Palace is also asking Congress to rush the approval of a bill creating the Central Monetary Authority and four tax measures to generate some P10.3 billion [Philippine pesos] in additional revenues.

The passage of these bills is expected to clinch the IMF deal.

Mr Leung, 53, was finance undersecretary from June 1986 to October 1990 under former President Aquino and under Mr Ramos from November 1992 until this appointment.

In various points in his career, Mr Leung also served as representative of the Central Bank of the Philippines to Washington D.C.; as technical assistant and alternate executive director to the International Monetary Fund; and as executive director to the World Bank.

Mr Leung finished his bachelor of arts degree in natural science from the Ateneo De Manila in 1961 and earned his master of arts degree in development economics from Williams College in Massachusetts in 1957.

Presently, he is the chairman of the technical committee on PAP [Philippine Assistance Program] and cochairman of the technical board investment coordinating council committee.

Meanwhile, the President will reappoint Transportation Secretary Jesus Garcia who was by-passed by the CA.

If he is appointed before Congress takes its recess tomorrow (Saturday), he would be given an extended acting appointment. If after the session, his appointment would be on an ad interim or while the Palace is waiting for the next regular session.

Ramos Urges Nonnuclear Uses of Nuclear Plant HK3105051493 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 30 May 93

[Text] Energy Secretary Delfin Lazaro has revealed that President Ramos is not in favor of operating the Bataan Nuclear Power Plant [BNPP], rather the chief executive is in favor of converting the plant into a non-nuclear source of energy. Lazaro said the president thought that it would better for energy experts to look for non-nuclear alternative uses of the BNPP rather than spark controversy by pursuing the plant's operation. However, according to the energy secretary, the government still has not discounted the possibility of using nuclear energy as viable source of electricity in the event that non-nuclear sources fail to generate the amount of energy required by the country.

Lazaro also clarified that no changes to the BNPP's physical structure may be undertaken until the government has gathered enough evidence to prove its substandard construction case against Westinghouse, which is now under the arbitration of the International Chamber of Commerce in Geneva, Switzerland. A sixmember committee was formed by the Department of Energy to determine possible alternative uses for the plant.

Thailand

Foreign Minister Comments on Sihanouk Initiative

BK0406010793 Bangkok BANGKOK POST in English 4 Jun 93 p 1

[Text] Thailand is in favour of Cambodians solving their own problems without outside interference, Foreign Minister Prasong Sunsiri said last night.

"If Cambodians can solve problems in their country, then we should take heed," Squadron Leader Prasong said, when asked about Prince Norodom Sihanouk's initiative.

"It is a good thing if Cambodians can solve their own problems without outside interference. We have said so all along," he added.

The minister declined specific comment on Prince Sihanouk's initiative as such, saying he was not informed of the environment in which it was formed or the steps which led to it.

In separate remarks Thai Ambassador to Cambodia Sunai Bunyasiriphan said "it has been Thai policy to support the solution of Cambodia's problems by Cambodians."

"If problems can be solved without fighting then this is a good way out," he added.

The prince's initiative is "a step towards national reconciliation," he said.

The envoy was in Bangkok to attend a seminar on diplomacy for the people.

Japanese Ambassador to Cambodia Yukio Imagawa, reached by telephone from Bangkok, said he was "very, very happy that Prince Sihanouk took the initiative for national reconcilistion."

"There is no other way to have peace," the envoy told the BANGKOK POST.

"I hope there will be no more quarrels, no more confusion," he added.

Both envoys affirmed that the coalition would serve as an interim body. They said the constitution to be drafted by the assembly—for whose 120 members Cambodians went to the polls from May 23-28 would determine whether this coalition or another would be installed in power.

Thuan Welcomes Sihanouk's Accession

BK0406071393 Bangkok Radio Thailand Network in Thai 0530 GMT 4 Jun 93

[Text] According to a report from Cambodia, Prince Norodom Sihanouk has announced that he will become prime minister and supreme commander of the Cambodian Armed Forces. Meanwhile, Prince Ranariddh and Hun Sen will be appointed deputy prime ministers. The new administration is named the Cambodian National Government.

The Public Relations Department's correspondent has the following report:

[Begin recording] [Unidentified correspondent] Speaking to reporters prior to his departure for a visit to Laos this morning, Prime Minister Chuan Likphai said that it is a good news if that is the unanimous decision of all factions. That is what Thailand and the other ASEAN countries want. They want to see peace in Cambodia. Asked about the Thai Government's role in the Cambodian economic system, the prime minister replied that we will have to wait until the new Cambodian Government announces its policies.

[Chuan] Our desire is to see peace and no more fighting in Cambodia. This is what every ASEAN country wants.

[Unidentified reporter] Do we recognize the results of the election?

[Chuan] We have supported the election from the very beginning.

[Unidentified reporter] What kind of role will Thailand play in the Cambodian economy?

[Chuan] We will probably have to wait for the newly formed government to declare its policies.

[Unidentified reporter] What do you think about the Khmer Rouge [words indistinct] the result of the elections and the formation of the new government?

[Chuan] As far as I know, the Khmer Rouge has always pledged to support Prince Sihanouk.

[Unidentified reporter] Do you believe that Prince Sihanouk is capable of keeping all the factions together?

[Chuan] We will have to wait for a period of time to see if the Phnom Penh faction accepts the result of the elections or not. [end recording]

Three Lao 'Resistance' Rebels Arrested

BK0306025193 Bangkok BANGKOK POST in English 3 Jun 93 p 6

[Text] Three suspected members of a Lao resistance movement were arrested last Saturday in Nan Province, Police Department spokesman Thongchai Chaiyarak said yesterday.

Two Hmong men, Li Her, 36, and Sor Her, 25, were arrested in Santi-suk District following a tipoff.

The two entered the country on May 6 and their entry visas are still valid, Pol Lt-Gen [Police Lieutenant-General] Thongchai said.

Also on May 29, Pua District police arrested George Cho Yang, 38, an American of Lao origin, on charges of being detrimental to society and national security.

He entered Thailand on April 11 and his visa is still valid.

Judging from their past activities which may affect the security of Laos and Thai-Lao relations, the Police Department has withdrawn their stay permits and will deport them soon, Pol Lt-Gen Thongchai sald.

Japanese Banker Meets Chuan, Urges BIBF Deregulation

BK0406045593 Bangkok BANGKOK POST in English 4 Jun 93 pp 15, 24

[By Kowit Sanandang]

[Text] Industrial Bank of Japan [IBJ] president Yoh Kurosawa yesterday urged the Thai Government to further liberalise banking to allow IBJ's Bangkok International Banking Facility (BIBF) to become a full branch within a few years.

Mr Kurosawa, who came to Bangkok to attend the grand opening of its BIBF yesterday, urged that the 10 percent withholding tax on offshore banking activities be lifted.

"The withholding tax is still there and that's different from Singapore and Hong Kong and we hope it will be lifted in the near future."

His view on the withholding tax is in line with that of other foreign bankers whose banks recently obtained licences to operate offshore banking in Thailand.

Some of the foreign bankers even said if the 10 percent withholding tax was not lifted, the BIBF might not be a success.

Mr Kurosawa yesterday paid a courtesy call on Prime Minister Chuan Likphai, whom he described as very frank, of strong character, philosophical and quiet.

The Premier congratulated the IBJ for opening its BIBF and on its contribution to the Thai economy and asked it to continue its efforts.

Mr Kurosawa, turning to his bank's confidence in the Thai economy, said the Asian economy was doing very well compared with those of the US, EC or Russia. The Thai economy is growing at 7 percent this year while inflation is only 4 percent. Although investment from outside has been slowed down somewhat, it is still moving in on a steady basis.

He thanked the Thai authorities for allowing the IBJ to open its BIBF which he hoped would be allowed to develop into a fullbranch banking facility.

"Within the next two to three years, we should be allowed to become a full branch in Thailand."

He said Thailand's decision to allow banks to set up the BIBF was the right move for the country to become a regional financial centre.

"Hong Kong and Singapore are developing as financial centres while Indonesia allowed foreign banks to go there three years ago. Many foreign banks are now operating there. That helps the Indonesian economy. The BIBF will help the development and globalisation of the Thai economy."

Mr Kurosawa, speaking on the role Japan and his bank play in the economic sub-region to be formed by Thailand, South China and Indochina, said that as there was not much difference in language between Thailand, Yunan, Laos and Cambodia people could communicate very well.

As Cambodia, Vietnam and Yunnan were developing towards a market economy and have a big future, the Thai economy would be busier and gradually a "Thai baht area" would form.

"As far as our bank is concerned, we have established a BIBF here and we will gradually be involved in the baht economic area. We have not decided yet to set up a representative office in Vietnam. We are studying it but we have to approach Vietnam through Bangkok."

The rise of the yen's value would help exports from Thailand to Japan which would import more from Asian countries, he said.

Japanese investors have been investing in or relocating to Thailand and other Asian countries for several years. The trend has slowed down recently but the stronger yen will encourage Japanese firms to rethink about such investments.

Mr Kurosawa forecast that the yen would continue to strengthen. It has appreciated from 125 to 107 yen to the US dollar and might reach 105. Eventually, it should prevail at 110 to 115 yen to the dollar.

He is confident the yen will not dip to 125 to the dollar at least for the rest of this year.

He attributed the appreciation of the yen to the dollar to the fact that Japan has a big trade surplus, there is low foreign investment, Japanese banks have repaid their loans and foreign money has been brought in to invest in Japanese stocks, creating a shortage of yen.

Mr Kurosawa said the Japanese leconomy would recover as it has already hit the bottom where it was still "creeping".

"We do not know when it will come back. Perhaps by the end of this year or early next year."

The Japanese Government forecast 3.2 percent growth this year, a figure nobody believes, he said.

The International Monetary Fund predicts 1.3 percent growth. Japanese research firms and banks forecast 2-2.5 percent while his bank's forecast is a low of 0.6 percent.

"The difference in forecasts is because it's difficult to estimate Japanese private consumption which accounts for 60 percent of the economy."

IBJ, Japan's largest long-term credit bank with assets of US\$323 billion, earned net income for fiscal 1991 ending in March 1992 of US\$514 million, falling from US\$603 million in 1990.

The bank, in response to an increased need for leasing services brought by rapid economic growth in Thailand established Krung Thai IBJ Leasing Co Ltd in Bangkok in March 1992, as a joint venture between IBJ Leasing Co Ltd, the Krung Thai Bank Group, Thailand's Bureau of Crown Property and International Finance Corporation.

New Zealand Ambassador Urges Increased Trade BK0406064993 Bangkok THE NATION in English 4 Jun 93 p B3

[By Usani Hararuk]

[Text] "Don't just think New Zealand is just a 3.5 million people market. Look at it also as an entry point to Australia," said P.H. Gibson, New Zealand Ambassador to Thailand, Vietnam, Cambodia, and Burma said during an exclusive interview with THE NATION.

The reason is Australia and New Zealand have a close economic cooperation agreement with each other, under which, both offer free access to each other's market.

"If you manufacture in New Zealand, your products can easily access the Australian market. Two markets combine at least 21 million affluent people, whose combined GNP [gross national product] equals to those of the six Asean together," Gibson affirmed. In 1992, the combined Asean GNP equalled roughly US\$6,185. [sentence as published]

No wonder Gibson emphasizes again and again about market opportunities in New Zealand and potential business links between Thailand and the Kiwis. The 42-year-old diplomat, is one among the youngbloods in Bangkok's diplomatic circle who are actively pursuing trade and investment opportunities for their governments, in addition to their traditional roles, in keeping with today's free and expanding international markets.

"The key task I have been instructed to carry out when coming to Thailand is to create right environment for business to flourish," Gibson admitted.

Having enjoyed a good and long political relationship with Thailand since 1950s, when regional security was a major concern, it is high time for New Zealand to set right bilateral economic and trade relationship framework according to Gibson.

Regular trade between the two countries, however, began to pick up its rhythm just five years ago. Until, passive though it might be, the two-way trade between New Zealand and Thailand last year escalated to NZ [New Zealand] \$350 million (Bt [baht] 4.5 billion).

Thai exports to New Zealand in 1988 were trivial at Bt559 million, but the figure rose 350 per cent to nearly Bt2 billion last year. At about the same time, Kiwi exports to Thailand recorded Bt520 million in 1986 and multiplied impressively to Bt2.6 billion in 1992.

"The trade balance is in New Zealand's favour. Trade in services, however, is in Thailand's, as 30,000 New Zealanders coming to visit Thailand compared to only 10,000 Thais who went to New Zealand," Gibson said.

Thai exports to New Zealand are mainly rice, canned fish, and electrical appliances. While New Zealand's pulp and paper products as well as farm-based and dairy products such as milk powder and butter top the list of its exports to Thailand.

Part of the dynamic trade performance comes from the New Zealand government's plan called Asia 2000, a project to determine where Asia will be in the year 2000 and how New Zealand will contribute in that framework according to Gibson.

"New Zealand is no longer a European outpost in the South Pacific. We are a Asia-Pacific country. Our future lies in this part of the world," he firmly declared. This new philosophy is in keeping with that of Australia's, which has actively been wooing Asean business for some time. Times have indeed changed. Twenty years ago, the Kiwi's biggest trading partner was the UK; today, six out of New Zealand's top ten export markets are in Asia among them is Japan.

Actively seeking to initiate business links, Ambassador Gibson brought about 150 people to Thailand last February to participate in a trade and investment seminar, an arrangement aimed to raise New Zealand's profile in Thailand as well as to educate his countrymen of Southeast Asian opportunities. The seminar was, in Gibson's estimation the biggest such ever held in Thailand.

"The objective of the seminar was to bring good New Zealand businessmen to meet with Thais and urge them to start thinking as a strategic business alliance," he said, "We want them to match up in the area of complementation."

Gibson identified two countries' "strategic business alliance" in food technology, forestry, manufacturing, education, tourism, and specialized areas such as telecommunications.

"In terms of complementarity, we have cutting edge in food technology area. Our Telecom [telecommunications] New Zealand, as it was totally deregulated, become the world's leader. In tourism, however, we would like to see Thai expertise in developing tourism's industry in New Zealand," Gibson urged.

Telecom New Zealand has been quite active in Thailand for some time. Its subsidiary—TPP Co, Ltd—formed a joint venture with a local Thai company and became the top bidder of Telephone Organization of Thailand's controversial telephone directories project before the bid was scrapped.

Also covering Indochina and Burma, Gibson sees Thailand's role as a gateway to Indochina, and following the recent development plan of road links between Thailand's north, Burma, and southern China, as well as those between Thailand and Laos "with great deal of interest."

"As a government, we deliberately cover Indochina from Bangkok as we see Thailand in a strategic role," Gibson explained.

Articulate and outspoken, Gibson who has spent only a year in Thailand is increasing awareness of New Zealand locally by stepping into public gaze.

Among others, his apartment has been presented in a local decor magazine; and his profile published in a business magazine.

"Our actual impact might not be that big since we are small country and do not have resources as our friends do" he said, "but I think we will be a lot more visible in Thailand. It provides an excellent environment to work apart from the traffic," he quipped. "We were doing well last year but we still have a lot more to do."

Thailand will be eager to see more from the Kiwis.

Trade Relations With Russia Deteriorating RK0306022393 Rangkok RANGKOK POST in English

BK0306022393 Bangkok BANGKOK POST in English 3 Jun 93 p 17

[By John Helmer in Moscow]

[Text] Relations between the Thai and Russian governments took a sharp turn for the worse late last week.

The deterioration led to a walkout by the Thai Ambassador to Russia from a meeting with a senior Russian trade official, after the Russian claimed to know nothing about overdue debt repayments and barter trade proposals from Bangkok.

The Russian official, Oleg Davidov, is the First Deputy Minister of Foreign Economic Relations.

He met with Ambassador Kasit Phirom last week, following the failure of the Russian government to honour a pledge given to Bangkok to pay US\$17 million. This is the first instalment of a Thai credit for Russian rice purchases, which was issued in December 1990 and fell due in December 1992. The full amount of the loan now due is US\$63 million.

The letter of government guarantee securing the loan expired on May 5.

Thai officials have held a series of discussions with the Russians since February to determine whether Moscow wants to pay the loan in full, extend the repayment period, or provide barter goods instead of cash.

Negotiations on the loan are regarded in Bangkok as an important indicator of Russia's capacity to pay back the much larger 1992 rice loan worth US\$200 million, which falls due early next year and of Russian intentions regarding the proposed purchase of several hundred thousand tonnes of rice, along with tapioca, this season.

In Bangkok in April, Russian officials had pledged to start the repayment of the 1990 loan with a first instalment on May 20.

The Vice Premier in charge of Foreign Economic Relations Aleksandr Shokhin, has promised to respond to Thai proposals for a barter trade of rice for steel and other Russian commodities, including oil, fertilizers and diamonds. The two governments have also been discussing the opening of a special convertible currency account in a Bangkok bank for clearing of trade exchange payments.

Last week's crisis occurred when Mr Davidov delayed his meeting with Ambassador Kasit for more than an hour, and then told him he had no response to make to the Thai proposals, and knew nothing about them. The statement was made in the presence of Russian trade officials with whom negotiations had a!ready been held on the debt and barter trade issues.

After Ambassador Kasit walked out of his meeting with Mr Davidov, the Deputy Foreign Minister in charge of Asia, Georgiv Kunadze, asked the Ambassador to accept an apology.

A letter from the Trade Ministry followed last Friday, rejecting the open account proposal for barter trade. However, there was no response on the debt repayment issues.

"It seems they don't want to sell what we want to buy, and they want to buy what they can't afford to pay for," Ambassador Kasit said. "They should be able to make up their minds on whether they want to pay, or to extend the letter of guarantee for more time," he added.

Tatarstan Seeks Investment, Withdraws Oil Offer BK0306023593 Bangkok BANGKOK POST in English 3 Jun 93 p 17

[By John Helmer in Moscow]

[Text] The Russian republic of Tatarstan has asked the Thai government to invest US\$100 million to boost local oil production. But Tatar officials have withdrawn the terms of an earlier offer to provide Thailand with oil in exchange.

Instead, the Tatar government has told the Petroleum Authority of Thailand (PTT) it proposes to supply trucks and helicopters, which are built at factories in Tatarstan.

The withdrawal of the Tatar oil offer came during recent talks in Kazan, the republic capital, with Sunthon Suphapha the assistant governor of PTT in charge of purchasing operations.

Thai officials say they are "ready to consider the new proposal."

In earlier talks during the visit to Kazan of the Thai Ambassador to Russia, Kasit Phirom, the Tatars had sought Thai investment to help the southern Russian republic restore production at idle oil wells, provide imported equipment and spare parts that are in short supply, and assist the newly privatised companies now establishing themselves in the oil sector.

The Thai government has also proposed to the Federal Russian government to take delivery of crude oil in a barter exchange for rice, as well as to liquidate Russia's US\$63 million debt currently overdue. Moscow has not yet responded.

Tatarstan's oil production has been declining steeply in recent years, and the republican government has been negotiating with a variety of foreign oil companies to finance new investment and revive output.

In 1975 the peak of production was 103 million tonnes for the year—a rate of 2.1 million barrels per day (bd). In 1992, however, this had dropped to an estimated 28 million tonnes for the year or 566,000 bd. For this year the projection is for a further production decline to 24 million tonnes—485,000 bd. According to an unconfirmed technical report, the average well is currently pumping 87 percent water.

While they try to raise their production level, the Tatar authorities have also tried to get the agreement of the government in Moscow to accept less oil from current production. In 1992 this state quota amounted to 50 per cent of Tatarstan's output.

The oil quota is one of many concessions Tatar politicians have demanded from President Boris Yeltsin in return for their agreement to back his proposed new constitution. They are also claiming the right to impose their own taxes and regulate money supply in their republic.

These issues are being debated this week in Moscow as regional representatives meet in a session called by the Speaker of the Russian parliament, Ruslan Khasbulatov. This is to be followed on Saturday, June 5, by a constitutional assembly called by Mr Yeltsin.

Cabinet Approves Adjusted 1994 Budget Bill BK0206021993 Bangkok BANGKOK POST in English 2 Jun 93 p 22

[Text] The Cabinet yesterday approved an adjusted budget bill for fiscal year 1994 with the overall amount remaining unchanged at 625,000 million baht, up by 11.6 percent from this fiscal year.

The main adjustment sees the reduction of the investment budget of state enterprises which were told by the Government to mobilise funds from the money market instead.

A total of 304,053.5 million baht will be set to serve the Government's policies. Of this 93,617.4 million baht will be for modernisation in regional and rural areas, 92,154 million baht for human resources and quality of life development; 11,254.4 million baht for conserving rehabilitating and developing natural resources; 3,002 million baht for science, technology and energy development; 9,124.4 million baht for rehabilitating Bangkok and its outskirts; and 94,901.3 million baht for security, commerce and tourism.

Categorised by ministries, the central budget will be 57,564.32 million baht, up 4.5 percent, Prime Minister's Office 5,934.35 million baht, up 3.5 percent; befence Ministry, 85,610 million baht, up 8.9 percent; Finance Ministry, 61,735.67 million baht, down 7.4 percent; Foreign Ministry, 3,358.51 million baht, up 11.1 percent; Agriculture Ministry, 56,013.02 million baht, up 26.4 percent; Transport and Communications Ministry, 44,250.71 million baht, up 24.6 percent; Commerce Ministry, 2,402.76 million baht, down 27.3 percent; Interior Ministry, 100,048.36 million baht, up 16.5 percent; Justice Ministry, 2,132.36 million baht, up 26.1 percent; Science Ministry, 8,320.64 million baht, up 18.2 percent; Education Ministry, 100,304.15 million baht, up 13.8 percent; Public Health Ministry, 39,343.67 million baht, up 19.6 percent; Industry Ministry, 3,803.89 million baht, up 12 percent; University Bureau, 22,035.92 million baht, up 14.2 percent; independent bureaus, 3,288.04 million baht, up 1.1 percent; state enterprises, 18,324.33 million baht, up 3.7 percent; and revolving fund, 10,509.30 million baht, up 25.7 percent.

		Fiscal 1994			
	Fiscal 1993	Adjusted	Percent of Budget	Change from 1993	
				Amount	Percent
Education	109.7	124.5	19.9	14.8	13.5
National Security	89.0	95.6	15.3	6.7	7.5
Social Service	60.0	71.4	11.4	11.4	19.0
General Admin	65.9	69.7	11.2	3.9	5.9
Agriculture	48.7	59.8	9.6	11.1	22.8
Debt Repayment	62.2	58.2	9.3	-4.0	-6.4
Transportation & Communication	46.9	53.6	8.6	6.6	14.1
Public Health	36.5	44.4	7.1	9.9	21.5
Interior Security	25.4	30.0	4.8	4.6	18.0
Science, Technology, Energy & Environ- ment	7.3	10.5	1.7	3.2	43.8
Commerce & Tourism	6.4	5.1	0.8	-1.3	-20.3
Industry & Mining	1.9	2.1	0.3	0.2	9.9
Total	560.0	625.0	100 percent	65.0	11.6percen

Army Favors Release of 'May Massacre' Report BK0306025793 Bangkok THE NATION in English 3 Jun 93 p 1

[By Sonnt Inpharat]

[Text] The army favours the release of a Ministry of Defence report on last year's May massacre and is also keen to know the whole truth behind the tragedy, an army officer said yesterday.

Speaking to local and foreign reporters at the army auditorium yesterday, the Director of Army Operations Maj Gen [Major General] Chokchai Hongthong said commanders had co-operated fully with the Ministry of Defence and allowed soldiers to testify at the closed door hearings on the events.

A committee was formed by the Ministry of Defence last August under the then Anan II administration after newly appointed Army Commander-in-Chief Gen Wimon Wongwanit pledged full army assistance in determining the facts of the matter.

Maj Gen Chokchai said: "The army wants the report to be released because we also want to know exactly what happened."

The director of operations said the release of the report was necessary before the army initiated any reforms, especially with regard to procedures for crowd control.

The chairman of the May Heroes Relatives Committee, Adun Khieophoriphun, said on the first anniversary of the May 17 shootings that the Chuan government should reveal to the public the findings of the Ministry of Defence investigations.

"Let the public know the facts. Everyone has the right to know what really happened, otherwise there will be further arguments and verbal attacks by opposing sides and the conflict will broaden," he said.

A government report released last September blamed the distortion of facts by the state-owned media for encouraging people who were denied access to factual information to go to the protest site to "see with their own eyes".

Army Plans To Reduce Personnel by 25 Percent BK0306113393 Bangkok NAEO NA in Thai 3 Jun 93 p 2

[Text] Major General Paeng Malakun na Ayutthaya, assistant Army commander for civilian affairs, presided over a news conference on the Royal Thai Army's policies at the Army Convention Hall on 2 June.

Clarifying the Army's force reduction policy, Director of Operations Major General Chokchai Hongthong disclosed that the Army plans to reduce its personnel by 15 percent during the period from 1992 to 1996 and 10 percent more from 1997 to 2001. In short, the total force reduction within a period of 10 years will be 10 percent or 80,000 men. However, he noted that the adjustment will not be conducted at the expense of the Army's efficiency and combat readiness.

Meanwhile, Major General Loetrat Rattanawanit, director of the Department of Civilian Affairs, revealed that the Army has been implementing policies of promoting a democratic form of government and humanitarianism, preserving the natural environment, assisting the general public in time of need, and participating in UN activities.

Director of Intelligence Major General Thirawat Patthamanon said that the Army intends to modernize and improve the efficiency of its intelligence operation in terms of technology and equipment in preparation for a situation in which economic conflicts seem to be getting more prevalent.

After the briefings, the Army officers answered questions raised by both Thai and foreign reporters.

Asked if the Army intends not to get involved in politics following the May incident, Maj. Gen. Chokchai said that the present Thai Army has changed and follows Army Commander General Wimon Wongwanit's pledge not to get involved in politics. Maj. Gen. Loetrat reaffirmed that there will be no coup d'etat as long as Gen Wimon Wongwanit serves as the Army commander.

Candidates in Bangkok By-Election Viewed

BK0206012393 Bangkok THE NATION in English 2 Jun 93 pp A1, A2

[By Monwipha Wongruchira and Charin Chaemsakhon]

[Text] The by-election in Bangkok's Constituency I looks more like a walkover than a serious competition for Prachakon Thai Party's veteran Lalita Roeksamran who is facing Phalang Tham Party's Prasan Marukkhaphithak, observers say.

First, the election is taking place in a constituency which is regarded as Prachakon Thai's traditional stronghold. The constituency covers Dusit and Bangsue districts as well as part of Rajthewee district.

Second, Lalita enjoys far greater public recognition than Prasan, a student activist-turned-businessman. Many political observers, Phalang Tham members included, believe Prasan is "not prominent enough" to effectively compete against Lalita.

Third, the Phalang Tham Party itself is divided over Prasan's candidacy with some members of the party's executive committee expressing reservations about his "questionable background".

Prachakon Thai Party, which commands a strong following among its well-organized supporters in the three MP [member of parliament] constituency, lost two seats to Phalang Tham's Winai Somphong and Akon Huntrakun in the general election in September last year.

Phalang Tham's victory was largely attributed to the consequences of the May bloodshed.

However, Prachakon Thai leader Samak Sunthorawet, who was strongly condemned for his association with the

Suchinda administration, still managed to emerge the top vote-getter in the constituency. This was a telling fact about the kind of support the party has.

In the general election last September, Samak received 51,928 votes, followed by Winai with 51,410 votes and Akom 49,463. Phalang Tham's Sansan Thirasat got 48,743 votes and Lalita came in fifth with 47,131 votes.

Traditionally, an opposition party competing against a government party in a by-election always has the advantage in that it can criticize the government on any issue, while the government is always on the defensive.

This election will mark the first time the Phalang Tham Party has mounted a campaign without the aid of its charismatic founder Chamlong Simuang.

With the dimming of "Chamlong fever" in the aftermath of the May bloodshed last year, the former Phalang Tham leader has increasingly withdrawn from the limelight and occupied himself with sening up a "political school" to train a new crop of political leaders.

Phalang Tham Party has found it difficult to find a candidate to field in the by-election. Prospective candidates included political scientist Sukhumphan Boriphat, former Bangkok MP Phiraphong Thanompongphan and former MP Roengwit Dutsadisuraphot. But all of them declined the offer to run in the by-election.

A member of the Phalang Tham executive committee told THE NATION that Phalang Tham leader Bunchu Rotchanasthian's decision to field Prasan faced considerable resistance from several executive committee members and MPs.

"Most of those who objected to Prasan's candidacy pointed to the fact that Prasan is more likely than not to lose the by-election because of his role in the 1973 student uprising that ousted the Thanom-Praphat military regime," said the executive who asked not to be named.

"One must not forget that a large number of eligible voters in Constituency I are military men and their families who can be the determining factor in who wins the election." he said.

The source said the staunchest objections to Prasan's candidacy were from Phalang Tham members of the religious Santi Asok faction.

Tinnawat Marukkhaphithak, Prasan's elder brother, admitted that Prasan was an underdog who had no political base in the constituency, was less well-known and had little political involvement since his student days.

But Tinnawat said he believed Prasan had a chance of winning in the election provided that he worked hard enough at visiting constituents, giving speeches and emphasizing the party's policy. Lalita characterized the by-election, in which only Prachakon Thai and Phalang Tham are fielding candidates, as a popularity contest between the coalition government led by Prime Minister Chuan Likphai and the opposition.

Army Region Commander on Campaigning on Bases

BK0206014793 Bangkok BANGKOK POST in English 2 Jun 93 p 2

[Text] First Army Region Commander Chettha Thanacharo yesterday promised that soldiers in military camps would not jeer any political party that campaigned at their bases in the Bangkok by-election.

Lt-Gen [Lieutenant-General] Chettha said that he would stress this point with all military personnel based in Bangkok and tell them not to say anything if they did not agree with what party candidates were saying.

"If they don't like a candidate who goes to campaign at their base they are to stay still and all they can do is not to vote for that candidate." the commander said.

During the general election, candidates of the Phalang Tham Party were jeered by military personnel and members of their families when they campaigned at military bases in Bangkok not long after the May events.

However, he said that candidates would not be allowed to go door-knocking in military areas to campaign for votes since this was a policy ordered by Army Commander-in-Chief Wimon Wongwanit.

He said that Gen Wimon issued the order for fear of "injustice" in the campaign and would allow soldiers and members of their families to exercise their own judgment.

Lt-Gen Chettha said the Army would be strict about ensuring that no votebuying took place in military areas.

He said that the Army would organise only those soldiers who had "a conscience and an open mind" to listen to candidates campaign in military bases.

He dismissed as untrue criticism that soldiers were especially close to the Prachakon Thai Party.

"Since soldiers are not involved in politics, how can they be close to a political party?" Lt-Gen Chettha said.

Deputy Defence Minister Maj-Gen [Major-General] Sombat Rotphothong, a Phalang Tham MP [member of parliament], said that he would try not to campaign in military bases and areas in Constituency 1 because of his duty to preserve the image of soldiers.

He said there was no problem with the ban on candidates from going on a door-to-door campaign in military areas. This would ensure that all parties had an equal footing. Lt-Gen Chettha also commented on the political situation in general, saying that he was watching the people and was worried about their decision which would have a bearing on the next general election. He did not elaborate.

He said that he was not worried about the political parties since they knew the law and if they were to do wrong then it would affect their own reputation.

However, he said that both the Government and the Opposition were still acting within the frame of the democratic system and the people would be the ones to decide.

Defence Minister Wichit Sukmak said that although he was not an MP and was named to the Cabinet under a common coalition quota, he was willing to explain to Parliament his work and the benefits to the armed forces and the nation.

On the opposition threat to debate the personal affairs of the Prime Minister, Gen Wichit said that this was not done abroad. The censure debate should be more about the work of the Government.

He declined to comment on former premier M.R. Kukrit Pramot's statement that personal affairs have a bearing on the administration of the country.

The minister said that he was confident that during the voting on the censure motions, the voice of the government coalition parties would not be split despite differences in opinions.

Maj-Gen Sombat said the no-confidence debate might improve the stability of the Government because it would have the opportunity to clear various problems.

Chuan Urges Effective Use of Rural Budget

BK0406051193 Bangkok BANGKOK POST in English 4 Jun 93 p 17

[Text] The Government will almost double its budget for redistributing development to rural areas next year to 290 billion baht, but officials will have to spend the money effectively if it is not to be wasted, Prime Minister Chuan Likphai said yesterday.

Mr Chuan was chairing a meeting at Government House, organised by the National Economic and Social Development Board [NESDB] and the Budget Bureau, to explain the Government's rural development and decentralisation policy. Officials from the two agencies and members of provincial development committees attended.

This year's rural development budget is 150 billion baht. Mr Chuan said the Government is determined to decentralise economic growth to the provinces.

He said he wanted the officials to acknowledge their responsibilities on two counts.

The first was that they are representatives of the Administration. They had to implement the Government's policies and provide reports on the real rural problems to the Government so it could improve the working plan for provincial area administration.

Secondly, they had to act as representatives of rural people in addition to their supervisory jobs in the provinces. They had to cooperate with local businessmen to understand the province's potential for investment projects and they should talk with local leaders and the provincial trade chamber about pushing industrial projects into their provinces, he said.

Also speaking at yesterday's meeting were Finance Minister Tharin Nimmanhemin, PM's [prime minister's] Office Minister Sawit Phothiwihok, NESDB secretary-general Phisit Phakkasem and acting Budget Bureau director Phot Chunanon.

The Prime Minister said the Government wanted to see real development in rural areas which meant that the people would have better incomes and better job opportunities.

To reach that goal, the Government had improved its rural development plan in four major areas.

Firstly, it had mapped out clear lines for cooperation between the Government and the private sector so that businessmen could join in the Government's projects at both the national and provincial levels.

Secondly, it had authorised provincial committees to make their own decisions on projects at both the district and provincial levels.

Thirdly, the policy would focus on income distribution instead of the previous emphasis on rural people's standards of living. The investment projects would be suitable for each province's potential.

Fourth, the Government had sent officials from the Budget Bureau and the NESDB to help improve work efficiency at the provincial level.

He said some success had been achieved in the decentralisation plan. In the first four months of this year, investment in the provinces reached 26 billion baht, compared to 11 billion baht in the same period last year.

The rural development plan would in the long run help ease the influx of rural people into Bangkok. Bangkok now faces severe traffic congestion problems and a rapidly increasing population.

Mr Chuan said the Government had to control the number of new officials because it could not provide a huge budget for their salaries. He had asked Mr Tharin to study the budget officials' new salary scale. About 30 billion baht would be used to lift officials' salaries.

'Large' Number of Factories Fail Safety Inspections
BK0406055593 Bangkok THE NATION in English
4 Jun 93 p A1

[By Pricha Sa-atson]

[Text] Official safety inspections in the wake of the Kader doll factory fire have shown that a large number of Bangkok's factories are without adequate safety features—some, in fact, are veritable death traps.

In the wake of the Kader tragedy, the government ordered nationwide checks of the 30,000 factories operating in Thailand to ensure adequate industrial safety and fire prevention systems are in place. Police inspectors described as "very alarming" the early results of the survey, which found that more than 60 per cent of the factories checked did not even have fire alarms. In many factories, emergency exits and windows were blocked off.

A lack of fire alarms and emergency exits was largely blamed for last month's high death toll in the inferno at the Kader doll factory in Nakhon Pathom, in which 188 workers perished and 26 others were missing and feared dead. It was said to be the world's worst factory fire.

Another cause of the catastrophic death toll was said to be the "substandard" structure of the factory buildings which collapsed in flames during the blaze, burying most of the victims.

From May 24-28, inspectors visited 224 factories in Bangkok, each with more than 100 employees. They found that 141 were not equipped with fire alarms.

Ninety-three plants did not have proper fire extinguishers and 81 had no emergency exits. In 33 cases the fire exits that did exist were blocked—and at 10 factories iron-grills had been installed, completely sealing off the emergency exits and the windows.

The inspections were made by a special working group of 30 policemen from the Crime Suppression Division and 10 officials from the Industrial Works Department, which is responsible for inspecting all factories in Bangkok and surrounding provinces.

The survey followed strong criticism against past governments, which allegedly disregarded working conditions and safety standards of the labour force while concerning themselves only with the country's growth, which is spurred by industrialization and exports.

Critics said the collapse of the Kader factory buildings can be traced directly to corruption and lax law enforcement. The government was blamed for failing to take tough legal action against corrupt officials who are paid to turn a blind eye to whatever irregularities there might have been in the design and actual running of the plant.

Under existing law, factories found to have substandard safety measures are given no more than 60 days to improve working conditions to the required level. Failure to do so can result in the shutting down of the establishment or the jailing of senior management for up to one year and a fine of up to Bt [baht] 100,000.

"We will continue our inspection," said Pol Col [Police Colonel] Phiphop Na Ranong, deputy chief of the economic crime division who headed the survey.

"We will deal with violators step by step. First they will warn them. But if they ignore our instructions, the factories will be closed down and the operators may end up in jail."

Critics have doubted the government effort will be maintained. When public attention dies down, it is feared that another killer fire could take place.

Committee Urges Tape-Control Decision's Publication BK0306013593 Bangkok BANGKOK POST in English 3 Jun 93 p 24

[Text] The Consumers Protection Committee will ask the Cabinet to declare in the Royal Gazette the decision to make audio and video tapes and compact discs controlled items in a bid to eliminate copyright piracy.

The decision was made at a joint meeting yesterday between the committee and representatives of the Department of Intellectual Property, the International Federation of Phonographic Industries (IFPI), the Video Tape Traders Association and the Association of Thai Audio Tape and Disc.

Committee member Wirot na Bangchang said it was compulsory that Thai labels be displayed on goods declared as controlled items.

The label must give either the name and address of the manufacturer, the importer, or the registered trademark in Thailand, the name of the copyright or trademark owner in Thailand or the name of the licensee of the rights, he said.

Operators who produced audio and video tapes and compact discs for export would not be required to display the labels on their goods but would be required to observe other guidelines, including using "export only" labels.

Mr Wirot said the producers of audio and video tapes and compact discs must display labels on their goods within 90 days of the announcement being published in the Royal Gazette.

The decision will become effective once it is announced in the Royal Gazette, he said.

Vietnam

Hanoi TV Reports 24 May Unrest in Hue City

BK0306170493 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 1 Jun 93

[Editorial Report] Hanoi Television Network in Vietnamese at 1200 GMT on 1 June carries a 12-minute report presenting chronological events concerning a man found dead in the backyard of the Linh Mu temple on 21 May in Huong Long village, Hue City, in central Vietnam; efforts by the local authorities and the Buddhist monk Thich Tri Tuu of the temple to identify the dead man; and actions by a group of protesters involved in an incident of unrest at the Phu Xuan Bridge intersection in Hue City on 24 May.

The report starts with a news conference held by the People's Committee of Thua Thien-Hue Province to brief newsmen on the chronological events after a man was found dead at the Linh Mu temple on 21 May and on developments leading to the May 24 riot in Hue City which resulted in a city government Land-Cruiser being set on fire and a resulting traffic jam that lasted several hours.

The video then carries a meeting between the Hue City People's Committee and Buddhist monk Thich Tri Tuu, who is seen sitting calmly at a table opposite several members of the People's Committee. The announcer says: "Reporters of the Hue City television station on 24 May witnessed a meeting between Comrades Nguyen Cuong, deputy chairman of the city People's Committee; Comrade Nguyen Huu Van, chairman of the city Fatherland Front Committee, and Buddhist monk Thich Tri Tuu, custodian of the Linh Mu temple, concerning the dead man and the letter sent by Thich Tri Tuu to officials in the city administration demanding clarification on the cause of death of the man in question."

While the video carries close-up shots of the letter, the announcer says: "To help viewers understand the event, we would like to rebroadcast the videotape shown earlier by the Hue City television station."

The video then again shows footage of the meeting between Thich Tri Tuu and the Hue City People's Committee and provides a close-up shot of Venerable Thich Giac Quang, secretary of the managing committee of the Thua Thien-Hue Buddhist Church, who says that after the dead man was found at the Linh Mu temple on 21 May, the church received no further information concerning the man.

The video then provides close-up shots of several letters successively, while the announcer says: "Buddhist monk Thich Tri Tuu on 21 May admitted that his temple did not know the dead man and had asked the local authorities to take care of the man. However, on 22 May, Thich Tri Tuu did an about-face by sending letters to echelons

of the administration demanding the return of the dead man's body to the temple for a funeral service and so forth."

The video then switches to the riot scene on 24 May at the intersection of the Phu Xuan Bridge in Hue City. The announcer says: "While the city authorities and Thich Tri Tuu were working to determine the identity of the dead man, a group of six Buddhist monks led by Thich Hai Tang from the Linh Mu temple went toward the People's Committee Office, shouting and accusing the authorities of having arrested Thich Tri Tuu. They then moved to the intersection of the Phu Xuan Bridge waiting for the Hue City People's Committee Land-Cruiser carrying Thich Tri Tuu back to the temple."

Video shows wide and close-up shots of six Buddhist monks sitting on the road surrounded by a large crowd of people, then switches to a scene of a big crowd encircling the Land-Cruiser with one unidentified Buddhist monk standing on the front hood of the car shouting and raising his hands apparently to incite the gathering crowd. The video also shows a pan shot of several public security force members circling around the crowd while the Buddhist monk jumps up and down on the car's front hood, raising his hands higher and higher and shouting increasingly loudly to the crowd. A man in plain clothes is seen in the foreground using his walkie-talkie.

The video then shows a pan shot of the big crowd tipping over and burning the Hue City Land-Cruiser. Fire and smoke are seen spiraling up to the treetops, and people are seen moving around in different directions while the vehicle is gutted by fire. The video also shows a wide shot of a public security man and four other unidentified men pulling up two Buddhist monks trying to continue their sit-in on the street.

The announcer says the public security force had to spend three hours clearing the traffic jam after the incident and finally bringing the situation back to normal.

The announcer further says: "In view of this situation, we met with the Venerable Thich Duc Phuong, member of the executive committee of the Vietnam Buddhist Church, to ask his opinion on the incident." The video shows a close-up shot of the monk making a recorded statement criticizing the actions of the Buddhists and extremist laymen.

The video then shows a close-up shot of Engineer Ton That Hanh, chief of the Executive Committee of Hue University, expressing regret at the Hue incident and calling for unity among Buddhist followers in order to peacefully celebrate the upcoming birthday of Buddha.

The video concludes the report with several wide and pan shots of Hue City scenery.

Prime Minister Signs Measure on Private Universities

BK0106140293 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 29 May 93

[Text] Prime Minister Vo Van Kiet has signed a decision promulgating the status of private universities. The eight chapters and 33 articles contain the basic provisions governing the establishment, management, and control over private universities. The decision is designed to guarantee quality training and to create favorable conditions for the development of private universities.

National Assembly Economic, Budget Committee Meets

BK0106134493 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 31 May 93

[Text] The National Assembly Economic and Budget Committee met in Ho Chi Minh City recently to review the various draft laws to be discussed and passed by the third session of the Ninth National Assembly. They include the draft laws on amending or supplementing business, income, special consumption, and import-export tax laws. The committee also reviewed the draft law on oil and gas.

The committee heard a report summing up the views contributed by the various ministries, sectors, localities, and people to the draft laws on taxes, state-run business organizations, and business bankruptcy.

Report Assesses National Rice Production

BK0106135093 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 30 May 93

[Text] To date, the early fifth-month spring rice in the northern provinces has ripened and the harvest has already begun in some localities. Meanwhile, the main fifth-month spring rice has changed color and formed ears. The late spring rice has also eared up.

By mid-May, the southern provinces have completed the summer-fall rice transplanting in more than 892,000 hectares of land, thus fulfilling more than 68 percent of the target. Transplanting work has been carried out at a higher speed compared with the same period last year.

Many harmful diseases and insects have generally been in evidence and have affected the fifth-month spring rice in the northern provinces and the summer-fall rice in the southern provinces. It is forecast that those harmful diseases and insects will continue to develop on a large-scale basis in the days ahead.

The Vegetation Cultivation and Protection Department reminds the provinces of the need to monitor the situation and to adopt timely countermeasures to keep the rice in good condition until harvest time.

Phan Van Khai Pays Working Visit to Vinh Phu

BK0206051793 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 1 Jun 93

[Text] Comrade Phan Van Khai, member of the party Central Committee Political Bureau and deputy prime minister, on 29 and 30 May paid a working visit to Vinh Phu Province to prepare for the party Central Committee's fifth plenum on agriculture, rural areas, and peasants as well as to solve some problems concerning budget plans on the spot.

While working with key cadres of the province, Deputy Prime Minister Phan Van Khai commended the party organization and people of Vinh Phu for their great efforts in developing production and improving living conditions. These efforts have been manifested in grain production, industrial crop planting, and afforestation, as well as in various models of the family economy and hill and forest garden economy.

Vinh Phu reorganized and properly invested in many business and industrial units, including those directly subordinate to the central government, and promoted nonstate economic activities.

The deputy prime minister carefully analyzed the favorable aspects of Vinh Phu, such as its proximity to Hanoi and Haiphong, which are major markets for farm products; its convenient transportation network, which includes rail, river, land, and air routes; its proximity to Noi Bai airport; and the central office of state-run industry, which is stationed in the province.

The deputy prime minister urged all key cadres of the province to carry out a study to successfully determine a rational economic structure while competently directing management to turn out a large quantity of salable, high-value products which suit the natural conditions and traditional customs of various localities in the province. He said:

The province should take the intitiative in procuring markets for its goods at home and abroad so as to create favorable conditions for its people and itself to prosper.

To help the province satisfactorily carry out this task, Deputy Prime Minister Phan Van Khai stressed organizational and operational methods and urged the local party organization and administrative echelons and mass organizations to consider work results as the yard-stick to measure the ability and quality of each cadre and the operational efficiency of each echelon and each sector.

Defense Minister Visits Groups 43, B-95

BK3106150793 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 28 May 93

[Text] Senior General Doan Khue, member of the party Central Committee Political Bureau and minister of national defense, recently visited Group 43, a local force unit of Quang Ninh Province, and Group B-95 of the Third Military Region.

The comrade was pleased to note that Group 43 has always developed its tradition as one of the strongest regiments of the entire armed forces. The group has thus far completed its first training phase. It is ready to deploy in accordance with various combat and defense plans as already set forth. It is trying to reduce the percentage of discipline violations to 2 percent and to join with the administration and the people of the 15 villages where its troops are stationed in building stead-fast defense grounds and in satisfactorily maintaining political security and public order and safety.

Group 43 has also participated in detecting and destroying bombs and mines in an area covering over 30 hectares. It has afforested 20 hectares of land and stepped up self-sufficient farm production in order to ensure an adequate supply of vegetables for the troops.

At Group B-95 in the Third Military Region, Senior Gen. Doan Khue addressed its cadres and combatants. The comrade praised the group's efforts to take realistic steps to forge for itself a pattern of everyday life governed by standards and discipline and to build a new civilized environment. The general emphatically said: Under any circumstance, Group B-95 should continue to train its troops in such a way that they can have high combat mobility and should ensure enough personnel present for office duty and combat standby duty.

Nguyen Khanh at Science, Technology, Environment Meeting

BK0406065593 Hanoi VNA in English 0530 GMT 4 Jun 93

[Text] Hanoi VNA June 4—A national conference on science, technology and environment was held here on June 1-3 under the chairmanship of Minister Prof. Dang Huu.

The conference, the first of its kind in Vietnam, was attended by representatives of 53 provinces and cities in the whole country.

Nguyen Khanh, vice premier, and Nguyen Dinh Tu, secretary of the CPV [Communist Party of Vietnam] Central Committee and head of the Commission for Science and Education of the party Central Committee, also attended.

The conference discussed a report of the Ministry of Science, Technology and Environment on its scientific and technological activities in 1992, the programme of action for 1993 and a number of related questions.

Vice Premier Nguyen Khanh and Minister Nguyen Dinh Tu highly appreciated the renovation in scientific and technological management and pointed to the still heavy tasks of science and technology in the development strategy for the coming years.

Nguyen Duc Binh Attends Marxist-Leninist Symposium

BK0106091993 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 29 May 93

[Text] The Military Political Institute under the Ministry of National Defense has just held a symposium on the theme Marxism-Leninism and Some Fundamental and Urgent Issues. The symposium was attended by Comrade Nguyen Duc Binh, member of the party Political Bureau and secretary of the party Central Committee; Professor Dr. Nguyen Duy Quy, member of the party Central Committee and director of the National Center for Social Science; and nearly 100 military and nonmilitary ideological researchers.

The 21 speeches given at the symposium concentrated on modern capitalism, our country's transitional period, current international issues, the vitality of Maxism-Leninism, and so forth. The speeches of different generations of ideological researchers linked theory with our national practical conditions, nationality, and modernity. They correctly assessed the development and true nature of Marxism-Leninism, realizing the correctness of Marxism-Leninism's predictions.

Speaking at the symposium, Comrade Nguyen Duc Binh hailed teachers and researchers of the Military Political Institute for their strong belief in scientific ideological thinking, which is very important and necessary at the moment. Marxism-Leninism is a lively and creative science. It is a system of openness, and it is necessary for us to comprehend the viewpoint on renovation to approach the reality.

Nong Duc Manh Pays Working Visit to Lang Son

BK0206092193 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 31 May 93

[Summary From Poor Reception] "In late May, Comrade Nong Duc Manh, member of the Political Bureau and chairman of the National Assembly, paid a working visit to Lang Son Province. While in Trang Dinh and Van Lang Districts, the National Assembly chairman, other leading comrades, and National Assembly deputies from Lang Son Province met with the voters of a number of villages in the aforementioned districts. The National Assembly chairman and his entourage listened to the voters' aspirations and suggestions as to how the party, state, and National Assembly can help resolve a number of practical problems.

"The majority of voters said they were encouraged by the fine results of the cause of national renovation. Others, however, stressed the need for the state and National Assembly to attach more importance to the mountain provinces and to high-lying or border areas by increasing funding for water and electricity supply, road construction, and so forth."

"Chairman Nong Duc Manh took into account the voters' suggestions and promised to bring them to the attention of the state and National Assembly for consideration."

Next, Chairman Nong Duc Manh visited a number of families of peasants and retired cadres at Thanh Long village in Trang Dinh District who knew how to effectively engage in the orchard economy and production. He praised them for their outstanding performance and took advantage of this occasion to remind leading village and district cadres as well as local party members of the need to learn how to enrich themselves legitimately.

"At the conclusion of his working visit, National Assembly Chairman Nong Duc Manh had a working session with leading cadres in Lang Son Province. On this occasion, he was briefed on the implementation of local socioeconomic tasks since early 1993. He commended local party organizations and ethnic minority compatriots for their single-mindedness and joint efforts to overcome difficulties and fulfill local socioeconomic and political tasks. Next, he suggested a number of measures for local leading cadres to consider and apply in order to make the people rich and the nation powerful, as well as to bring civilization to society."

Hanoi Encourages Investment by Overseas Vietnamese

BK0406142693 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 3 Jun 93

[Text] On 27 May the government issued a decree on measures encouraging overseas Vietnamese to invest in their country.

Apart from the general preferential treatment applied to foreign investors that has been specified in various legal documents concerning foreign investment in Vietnam, the decree stipulates that special preferential treatment should be given to overseas Vietnamese wishing to invest in their homeland. The decree is applicable to overseas Vietnamese both with and without Vietnamese citizenship.

Vietnamese individuals or economic organizations with Vietnamese-invested capital in foreign countries are entitled to all that is stipulated in this decree when investing in Vietnam.

Overseas Vietnamese investing in the domains and forms specified in the law on foreign investment in Vietnam have the right to own investment capital and all legal property, and the right to transfer to or inherit from a Vietnamese citizen property, capital, and profits. They are also allowed to protect their legitimate rights and interests in accordance with Vietnamese law.

U.S. 'Specialists,' Counterparts Meet on MIA Issue

BK0406150293 Hanoi VNA in English 1433 GMT 4 Jun 93

[Text] Hanoi VNA June 4—US and Vietnamese specialists met here yesterday to assess the results of the 23rd joint search for American servicemen missing during the Vietnam war and discuss the plan for the 24th joint search.

The American team highly appreciated the cooperation offered by the local authorities and people of Vietnam which has made it possible for the search to yield satisfactory results. The programme of investigation into 'live-sighting' reports has been basically complete. A significant quantity of remains has been collected during excavations and handed over by the local population. It will help shed more light on the fate of many American servicement reported missing.

The two sides agreed to conduct the 24th joint search in central Vietnam from June 24 to July 20 this year, and to continue their joint efforts in searching for and checking new information through the newly-created joint MIA file office.

Government Said Seeking GATT Observer Status

BK2705134493 Hanoi Voice of Vietnam in English 1000 GMT 27 May 93

[Text] Vietnam is reported to be seeking observer status to the General Agreement on Tariffs and Trade, or GATT. Reports from Seoul quoted GATT Director General (Albert Bianco) as saying on Monday [31 May] that he met with Vietnam's Trade Minister Le Van Triet to discuss measures for Hanoi to apply its observer status at the international trading body.

Mr. (Bianco) told a press conference after his talks with Vietnam's trade minister that Vietnam was thinking seriously about taking the first step to join GATT.

Defense Minister Makes Visit to Indonesia

BK0306151793 Hanoi VNA in English 1503 GMT 3 Jun 93

[Text] Hanoi VNA June 3—A Vietnamese military delegation led by General Doan Khue, minister of defence, arrived in Jakarta in the afternoon of June 2, for an official friendship visit to Indonesia at the invitation of his Indonesian counterpart General Edi Sudrajat.

A formal welcoming ceremony was held this morning at the office of the Ministry of Defence and Security in honour of the Vietnamese delegation.

Present on the Indonesian side were General Edi Sudrajat, minister of defence and Security General Feisal Tajung, commander-in-chief of the Indonesian Armed Forces, and other high-ranking officers. A ceremony was held later to present the Order of Merit, a high distinction of the Republic of Indonesia conferred by President Suharto on General Doan Khue in recognition of his important contributions to the consolidation and development of the friendship between the two nations.

The Vietnamese delegation then held talks with a military delegation of Indonesia led by General Edi Sudrajat.

Also on June 2, the Vietnamese delegation called on President Suharto, Vice President Try Sutrisno and Foreign Minister Ali Alatas. At the presidential palace, President Suharto warmly received General Doan Khue and his party and expressed his belief that the visit would contribute to strengthening the existing friendly relations between the peoples and armies of the two countries.

Do Muoi Receives ROK Industrialist

BK0206153993 Hanoi VNA in English 1355 GMT 2 Jun 93

[Text] Hanoi VNA June 2—Mr. Mal Soo Cho, president of Pohang Iron and Steel Co. Ltd (Posco) of South Korea, paid a courtesy visit today to General Secretary of the Communist Party of Vietnam [CPV] Central Committee Do Muoi.

Present at the reception were Minister of Heavy Industry Tran Lum and Deputy Head of the External Relations Commission of the CPV Central Committee Phan Can Chuong. Mr. Mal Soo Cho said he was happy to re-visit Vietnam, and to have been present at the ground-breaking cermony for building a steel pipe factory in Haiphong—the Steel Pipe Production Joint Venture Co (Vinapipe) the second joint venture between Posco and the Vietnam Steel Corporation.

He further said that his company would continue its cooperation with Vietnam in its specialized domains.

For his part, General Secretary Do Muoi acclaimed the cooperation between Posco and Vietnam's steel industry, and expressed his (?belief that) the cooperation would achieve fine results.

The Vietnamese leader noted that Posco's achievements as well as South Korea's ecommic development are valuable lessons for Vietnam in national construction and he wished that the cooperation between the two sides would be further strengthened.

Talks Held With Russia on Oil Exploration

BK0206065293 Hanoi Voice of Vietnam in English 1000 GMT 29 May 93

[Text] Vietnam and Russia have discussed cooperation in oil and gas exploration and development program. They will join in exploitation of a new oil field in east sea, and then will ask other foreign companies to join the venture. According to a Russian official, the Vietsov-petro joint venture enterprise will drill the Thanh Long

area, southeast of Dai Hung [Big Bear], in July, and open bidding for foreign companies by the end of this year.

Eleven Thousand Tonnes of Rice Donated to Cuba

BK0106135893 Hanoi Voice of Vietnam in English 1000 GMT 31 May 93

[Text] The ship carrying 11,000 tonnes of rice presented to the Cuban people by the Vietnamese people arrived in Santiago de Cuba Port on 28 May. According to the Cuban news agency, a meeting was scheduled to be held in the city to highlight the Vietnam-Cuba solidarity.

Meanwhile, Cuba received another consignment including lubricant oil, chemical fertilizer, food, buses, trucks, and car spare parts presented by the Mexican and Spanish Governments.

International Convention on Biodiversity Signed

BK3105064293 Hanoi VNA in English 0554 GMT 31 May 93

[Text] Hanoi VNA May 31—On mandate of the Vietnamese Government, Ambassador Le Van Bang, acting head of the Vietnamese permanent mission to the United Nations, on May [date indistinct] signed the international convention on bio-diversity.

The convention was adopted by the inter-governmental negotiating committee at its fifth session in Nairobi, Kenya, on May [words indistinct] it recognizes the values of bio-diversity in ecology, genetics, society, economy, reproduction and [words indistinct] and its importance in the development of mankind. It also

[words indistinct] the responsibilies in countries towards the preservation and usage of the biological resources as well as the importance and necessity of promoting international cooperation, especially in finance [words indistinct] biological technology, to help developing countries preserve the biological resources essential for their own development and the development of mankind as a whole. Up to now, 166 countries have signed the convention.

UK Citizen Sentenced to Death for Drug Trafficking

BK2905072393 Hanoi VNA in English 0625 GMT 29 May 93

[Text] Hanoi VNA May 29—The People's Court of Ho Chi Minh City on May 28 sat in first instance and also final instance session to try Wong Chi Shing on charge of drug trafficking. Wong Chi Shing of Han nationality and a British citizen, was born in Hong Kong in 1960. According to his own testimony before the investigation board Wong had previously been convicted of many crimes such as rape (1977) and robbery (1979). In late 1992, he agreed to carry a consignment for a man named Sing from Thailand to Europe with a promised pay of 60,000 HK [Hong Kong] dollars.

He was caught with 5 kg of heroin packed in 18 parcels and concealed in a double bottom suitcase at Tan Son Nhat airport when he arrived there from Bangkok. The court handed Wong Chi Shing the death sentence by virtue of Item 3, Article 97 of the penal code of Vietnam. Then 5 kg of seized heroin were burnt in Wong's presence and with the witness of the jury and thousands of people attending the court session.

Australia

Three 'Major' Trade Conflicts With U.S. Cloud Ties

BK0406103993 Hong Kong AFP in English 0707 GMT

4 Jun 93

[By Jack Taylor]

[Text] Sydney, June 3 (AFP)—Australian flag carrier Qantas was warned Friday [4 June] it faces even tougher sanctions by Washington on top of substantial cuts to its U.S. West Coast services if Northwest Airlines fails to win a court action here.

The warning was delivered by the U.S.-based carrier as Qantas prepares to lose three of its 10 weekly Los Angeles flights axed in retaliation for Canberra's decision to cut one of Northwest's three weekly New York-Osaka-Sydney flights.

The airlines dispute is a part of what threatens to become a major trade battle being fought on three fronts, threatening serious damage to Canberra's longstanding relations with Washington.

Australia's dairy farmers fear their 900 million dollar (600 million U.S.) export trade with Asia is under threat from U.S. plans to sell subsidized skim milk to the Philippines.

And wheat farmers fear Washington may extend its Export Enhancement Program (EEP) to subsidise wheat sales to Indonesia.

Foreign Minister Gareth Evans said Friday a number of official meetings had already taken place on the dairy issue in the Philippines and representations are now being made on possible U.S. grain subsidies in other Asian markets.

Trade Minister Peter Cook and farmers' representatives will raise all three issues in talks with U.S. trade officials in Washington next week.

Northwest International Communications Director Doug Killian said from Minneapolis Thursday (Friday Australian time) that more sanctions were being considered and could be imposed within 24 hours.

"We are keeping all of our options open but we may consider asking the U.S. Government for stronger sanctions against Qantas in the form of a reduced flight schedule," he said.

They could be triggered by "an unfavourable ruling against us" in the court, he added.

Killian said while he couldn't speak for Washington, "I think they are contemplating that and I know they fully back Northwest's position on this issue."

The federal court has in the meantime begun hearing the dispute between Northwest and the Australian Transport Department, but is not expected to conclude the hearings this month.

Senior counsel Tom Hughes, for Northwest, told the court here Friday it was "a matter of pretty obvious urgency" and the two parties were trying to reach an interim agreement.

The hearing, which was continuing Friday, was told both sides wanted a full hearing date of July 12 to have the matter resolved.

Northwest is accused of routinely breaching an agreement to restrict to 50 percent passengers picked up at Osaka on the New York-Sydney route.

It has since reapplied for permission to run two New York-Osaka-Sydney services a week but will not agree to the passenger restrictions.

It maintains it agreed to the restrictions in the first place only because of a verbal agreement—denied by Canberra—that it would not be enforced.

In its application Northwest claimed the requirement was "unauthorised, unreasonable, and erroneous."

A spokesman for Australian Transport Minister Bob Collins said Friday: "We are always concerned about any suggestion of that sort, but at this point in time we have to act on what we have seen from the U.S. Government."

He said Washington's order linked the sanctions against Qantas specifically to Canberra's action against Northwest and the court hearing would not not change anything in relation to that, he said. [sentence as received]

A Qantas spokesman said it was unclear whether the threat was genuinely under consideration by Washington or "just posturing by Northwest."

"There are all sorts of implications for other airlines as well as us if this threat is carried out," he said.

World Court Wants Response on Timor Treaty

BK0206090693 Melbourne Radio Australia in English 0500 GMT 2 Jun 93

[Text] The International Court of Justice in the Hague has granted Australia another month to file its latest response to Portugal's challenge to the Timor Gap Treaty. Elaine Davies reports the court had originally ordered Australia to file its response by 1 June.

[Begin Davies recording] Portugal lodged its case against Australia two years ago claiming Australia had breached international law by negotiating and signing the [gap in recording] Australia has disregarded several United Nations resolutions which it has ratified.

Portugal is seeking unspecified damage from Canberra saying it has not respected the sovereign rights of the East Timorese. The United Nations still regards Portugal as the administering power of East Timor.

The Foreign Affairs Department says Australia has been granted an extension of time to lodge its latest written response to the case with Portugal's approval. [end recording]